

and H. R. 12505. My bills would accomplish the following:

(1) Lower the retirement age to 62 for men and women.

(2) Repeal the age limitation for disability insurance benefits.

(3) Clarify the meaning of the term "disability" in establishing entitlement to disability insurance benefits.

(4) Increase the amount of outside annual earnings from \$1,200 to \$1,800.

Mr. Chairman, by lowering the general retirement age from 65 to 62, we would be bringing the Social Security Act in line with other progressive government and private retirement plans. The retirement age provision in the Social Security Act is not a mandate to the individual to retire at that age. It is permissive only. Such an amendment, however, would permit some 4 million individuals in the 62-65 age group to enjoy the benefits of retirement, if they so desire, and it would also provide more employment opportunities for younger workers.

The 1956 amendment, which created the new benefit for totally and permanently disabled persons, is limited in application to such persons who are 50 years of age. Such a limitation is unrealistic. Illness or injury can come at any time, and the younger man needs this benefit for himself and his family every bit as much in his earlier years.

The strict administrative interpretation that has been given to the meaning of the term "disability" should be overcome. An individual who is totally and permanently disabled for his profession or trade may be

denied benefits because he might be able to sell shoelaces on a street corner. There are instances in which an individual will be recognized as totally and permanently disabled for the purposes of some Federal or State statute but not under the Social Security Act. I recall a case in which a constituent of mine, 64 years of age, was accidentally shot in the right arm while deer hunting. Some of the muscles were torn out of his arm, and his right hand became paralyzed. His claim for disability insurance benefits under the Social Security Act was denied on the ground that he was capable of other employment, such as, a watchman. This individual's work experience was totally unrelated to watchman duties, and, to me, it seems unlikely that someone would hire as a watchman a person, 64 years of age, who had always been right handed but had now lost all use of his right hand.

I realize, of course, that a great step was taken in 1956 when Congress inaugurated the program of disability-insurance benefits. I believe, however, that the definition of the term "disability" should be amended, so that disability-insurance benefits will not be denied to such a person who is unable to engage in an occupation or employment that is the same or similar to that last performed by him. Likewise, an individual should be considered to be totally disabled and eligible for benefits under the act if he has furnished a formal declaration of his permanent and total disability, made by any other Federal or State agency.

The economic problems of retired workers receiving social-security benefits are becoming

increasingly apparent. No one will dispute the fact that social-security benefits are inadequate to meet the minimum needs of retired workers and their dependents. Today's high living costs have forced many annuitants into supplemental, part-time employment to augment their social-security payments. The act presently limits the amount of such outside annual earnings to \$1,200. My bill would increase this amount to \$1,800, a modest amount when it is noted that the average monthly benefit is under \$70. Moreover, those who are receiving additional income from rents, dividends, and other sources are not penalized for this unearned income, while those who are forced to supplement their benefits through employment are restricted in the amount they may earn.

Mr. Chairman, we have made great strides during the past 23 years in improving our social-security system and extending its coverage. It has become an accepted program, but the present system is far from adequate to meet the present needs of millions of our citizens. In studying the changes that are necessary at this time, I am hopeful that your committee will be able to recommend an increase in benefit amounts. I realize, of course, that any changes that are made should be on a sound actuarial basis, and I am confident that our people appreciate this policy. Within this limitation, I trust that the Congress can fulfill its obligation to our older citizens to see to it that they do not live out their lives in poverty without being able to purchase even the barest necessities.

## SENATE

WEDNESDAY, JULY 2, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our fathers, we give Thee thanks for the daring resolves and for the deathless words of the Founding Fathers who, after their labors in building our ship of state, snapped the bonds of tyranny and launched their noble experiment dedicated to the freely expressed will of all the people.

As sacred memories of those dark and doubtful days will again stir the Republic on the birthday of the Nation, give to those who through the treacherous seas of these days pilot the Nation's course a revealing remembrance of the altars at which the founders knelt, the ideals to which they were committed, the human rights to which they gave their fealty for freedom's greatest venture.

Make us, we pray, fit vessels to receive the glory and the good Thou desirest to give to us and, through us, to all the waste places of this stricken earth: In the dear Redeemer's name. Amen.

## THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 1, 1958, was dispensed with.

## MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were com-

municated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 1, 1958, the President had approved and signed the act (S. 3342) to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 346) commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1958, in which it requested the concurrence of the Senate.

## ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 982. An act to amend section 77 (c) (6) of the Bankruptcy Act;

H. R. 10154. An act to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts;

H. R. 11424. An act to extend the authority of the Secretary of Agriculture to extend special livestock loans, and for other purposes;

H. R. 11861. An act authorizing the city of Chester, Ill., to construct new approaches to and to reconstruct, repair, or improve the existing approaches to a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 11936. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing

cost, of the construction of a bridge across the Missouri River at Brownville, Nebr.;

H. R. 12311. An act to amend the act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia), to remove the limitation on the amount authorized to be appropriated for construction;

H. R. 12739. An act to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause; and

H. R. 12827. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

## HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 346) commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1958, was referred to the Committee on the Judiciary, as follows:

Whereas the debate between Abraham Lincoln and Stephen A. Douglas at Freeport, Ill., in the Illinois senatorial contest of 1858 was one of the great and important events in the history of the United States; and

Whereas the centennial anniversary of the Lincoln-Douglas debate is to be appropriately commemorated at Freeport in August of 1958: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States joins the city of Freeport in commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1858.

Sec. 2. A copy of this resolution, suitably engrossed and duly authenticated, shall be transmitted to the Governor of Illinois, and the president of the Lincoln-Douglas Society, Freeport, Ill.

### LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

### EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

### EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Waldemar J. Gallman, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Arab Union, which was referred to the Committee on Foreign Relations.

### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. ANDERSON, from the Joint Committee on Atomic Energy:

John A. McCone, of California, to be a member of the Atomic Energy Commission, vice Lewis L. Strauss.

By Mr. O'MAHONEY, from the Committee on the Judiciary:

Arthur J. Stanley, Junior, of Kansas, to be United States district judge for the district of Kansas.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the executive calendar will be stated.

### NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION

The Chief Clerk proceeded to read sundry nominations to the National Science Board, National Science Foundation.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

### NATIONAL LABOR RELATIONS BOARD

The Chief Clerk read the name of Philip Ray Rodgers, of Maryland, to be a member of the National Labor Relations Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

### POST OFFICE DEPARTMENT ADVISORY BOARD

The Chief Clerk read the nomination of Ormond E. Hunt, of Michigan, to be a member of the Advisory Board for the Post Office Department.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

### COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of Bligh A. Dodds, of New York, to be collector of customs for customs collection district No. 7, with headquarters at Ogdensburg, N. Y.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

### POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the postmaster nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

### LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

#### REPORT ON REVIEW OF ACTIVITIES OF CERTAIN INSTALLATIONS, DEPARTMENT OF THE NAVY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of activities of naval ammunition depots and similar-type installations, Department of the Navy, dated June 1958 (with an accompanying report); to the Committee on Government Operations.

#### PARTICIPATION BY THE UNITED STATES IN INTERNATIONAL CRIMINAL POLICE ORGANIZATION

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act of June 10, 1938, relating to participation by the United States in the International Criminal Police Organization (with accompanying papers); to the Committee on the Judiciary.

#### INTERNATIONAL AGREEMENT WITH EUROPEAN ATOMIC ENERGY COMMUNITY

A letter from the Chairman, United States Atomic Energy Commission, relating to a proposed international agreement between the United States of America and the European Atomic Energy Community, transmitted to the Senate on June 23, 1958, by the President of the United States (with accompanying papers); to the Joint Committee on Atomic Energy.

### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

#### By the VICE PRESIDENT:

A memorial signed by Mrs. John Gayer, and sundry other citizens of the United States, remonstrating against the enactment of legislation to change the east front of the Capitol Building in the District of Columbia; to the Committee on Public Works.

The petition of Mrs. Mary Plunkett, of West Covina, Calif., praying for the enactment of legislation to provide for the continuation of the improvement of the Big Dalton and San Dimas Washes in the State of California for flood-control purposes; to the Committee on Public Works.

A telegram in the nature of a petition from the Mayor and Board of Supervisors of the City and County of Honolulu, T. H., embodying a resolution adopted by that group, favoring the enactment of legislation providing statehood for Hawaii; ordered to lie on the table.

### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, without amendment:

S. 3587. A bill to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range in eastern Nevada.

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 3723. A bill to amend Public Law, 522, 84th Congress (relating to the conveyance of certain lands to the city of Henderson, Nev.) (Rept. No. 1792).

By Mr. ANDERSON, from the Joint Committee on Atomic Energy, without amendment:

S. 4051. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 1793).

By Mr. LONG, from the Committee on Foreign Relations, with amendments:

S. 3557. A bill to amend the International Claims Settlement Act of 1949, as amended (64 Stat. 12) (Rept. No. 1794).

By Mr. ELLENDER, from the Committee on Appropriations, with amendments:

H. R. 12858. An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 1796).

### INCREASED USE OF AGRICULTURAL PRODUCTS FOR INDUSTRIAL PURPOSES—REPORT OF A COMMITTEE (S. REPT. NO. 1795)

Mr. ELLENDER, from the Committee on Agriculture and Forestry, reported an original bill to provide for the increased use of agricultural products for industrial purposes, and submitted a report thereon; which bill was read twice by its title, and placed on the calendar as follows:

S. 4100. A bill to provide for the increased use of agricultural products for industrial purposes.



### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEUBERGER (for himself, Mr. MURRAY, Mr. CHURCH, Mr. MORSE, Mr. COTTON, and Mr. CASE of South Dakota):

S. 4097. A bill to authorize the appropriation of funds for the construction, reconstruction, and improvement of the Alaska Highway; to the Committee on Public Works.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (by request):

S. 4098. A bill to provide for the disposition of surplus personal property to the Territorial government of Alaska until December 31, 1959; to the Committee on Interior and Insular Affairs.

By Mr. DIRKSEN (by request):

S. 4099. A bill for the relief of Tibor Grosz; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 4100. A bill to provide for the increased use of agricultural products for industrial purposes; placed on the calendar.

(See reference to the above bill when reported by Mr. ELLENDER from the Committee on Agriculture and Forestry, which appears under the heading "Reports of Committees.")

By Mr. HUMPHREY:

S. 4101. A bill to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts; to the Committee on Finance.

S. 4102. A bill to make the retirement benefits of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 available to certain persons who rendered active Federal service during the Korean conflict; to the Committee on Armed Services.

(See the remarks of Mr. HUMPHREY when he introduced the above bills, which appear under separate headings.)

By Mr. KNOWLAND:

S. 4103. A bill to amend Veterans Regulation No. 1 (a) to provide that an aid and attendance allowance of \$200 per month shall be paid to triple and quadruple amputees during periods in which they are not hospitalized at Government expense; to the Committee on Finance.

By Mr. ERVIN:

S. J. Res. 183. Joint resolution providing for the conveyance of certain real property of the United States situated in Philadelphia, Pa., to Paul & Beekman, Inc., Philadelphia, Pa.; to the Committee on Government Operations.

### CONCURRENT RESOLUTION

Mr. HUMPHREY submitted a concurrent resolution (S. Con. Res. 99) relative to the designation of an International Health and Medical Research Year, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

### RESOLUTIONS

Mr. MORSE submitted a resolution (S. Res. 320) to investigate the effect on domestic industries of importation of sound recordings on American picture films, which was referred to the Committee on Finance.

(See the above resolution printed in full when submitted by Mr. MORSE, which appears under a separate heading.)

Mr. CLARK (for himself, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. DOUGLAS, Mr. MONROE, and Mr. PROXMIER) submitted a resolution (S. Res. 321) requesting the President to transmit a supplementary report to the Senate on the unemployment situation with recommendations for its improvement, which was referred to the Committee on Banking and Currency.

(See the above resolution printed in full when submitted by Mr. CLARK (for himself and other Senators), which appears under a separate heading.)

### IMPROVEMENT OF ALASKA HIGHWAY

Mr. NEUBERGER. Mr. President, we have just completed action on the historic legislation that will take into the Union a great new State—a State larger in area than Texas, a State whose mountains include a higher peak than any in the present 48 States, a State with vast natural resources and with a growing population of splendid, patriotic Americans.

Now, let us make it possible for more Americans to get there.

I am introducing today a bill to authorize appropriations for paving the great Alaska Highway in Canada, with the cooperation of the Canadian Government.

The Alaska Highway extends from Dawson Creek, British Columbia, to Fairbanks, in the heart of Alaska. Some 300 miles of this highway, on Alaskan soil, are already hard-surfaced, but the remaining, more than 1,200 miles within the borders of Canada, are surfaced only with gravel. In addition, while not part of the Alaska Highway proper there is the so-called Haines Cutoff, which also should be improved into a hard-surfaced, all-weather road.

Certainly, there should be, and there will in time be, far better land communications between Alaska and the other States, which must be able to handle a greater flow of overland traffic at all times, and the bill I am introducing today is designed to initiate this action now. I am joined in introducing this bill by the senior Senator from Montana [Mr. MURRAY], the junior Senator from Idaho [Mr. CHURCH], my senior colleague from Oregon [Mr. MORSE], the junior Senator from New Hampshire [Mr. COTTON], and the junior Senator from South Dakota [Mr. CASE].

The terms of the bill itself are very simple. It authorizes appropriations of \$11 million a year for the 6 fiscal years beginning with fiscal 1960 and ending with fiscal 1965, to be spent on the improvement of the Alaska Highway and the Haines Cutoff, on the condition that the Government of Canada participate equally in this program. Incidentally, the bill also provides that, in addition to sharing in the cost, the Government of Canada will agree to maintain the highway after its completion, and will make it accessible on free and non-discriminatory terms to United States

traffic with reciprocity in licensing, and so forth.

The size of this proposed appropriation is based upon an estimate of the cost of completing this work, which I understand has been prepared by the Bureau of Public Roads. This estimate is in the neighborhood of \$125 million, including almost \$15 million for making the 110-mile connection with Haines into a paved, all-weather route. Thus, it contemplates a United States expenditure of about one-half of this total cost over a period of 6 years.

Mr. President, I believe that the perfection of this single overland link between Alaska and her 48 sister States is well justified when we consider the analogy of the Inter-American Highway in Central America. Over 1,600 miles of this highway, from Laredo, Tex., through Mexico, have been completed by Mexico with its own funds. For the almost 1,600 additional miles which form the remainder of the connection between the United States and the Panama Canal Zone, going through the 6 independent republics of Central America, Congress has to date appropriated over \$128 million. Only recently we increased the authorization for this highway by another \$10 million. On the Inter-American Highway, the matching formula has been two-thirds United States and one-third local funds, and the Secretary of State has had the additional authority to waive the matching funds with respect to one-third of the authorized amount in any year if he found that this cost was beyond the capabilities of the Central American country involved.

I believe that the Inter-American Highway is a necessary and valuable project, and I support these expenditures for its completion. I refer to it only to show the relative magnitude and significance of the expenditures proposed, which would be substantially less under the 50-50 formula assumed in my bill for the paving of the Alaska Highway.

Mr. President, this problem and need of improving that great highway link across western Canada to Fairbanks, Alaska, are matters with which I am personally familiar. During World War II I served in the United States Army as aide-de-camp to the late Gen. James A. O'Connor of the Corps of Engineers, who was in charge of the construction of the Alcan Highway, which is now referred to as the Alaska Highway.

I have traveled many times from Fairbanks to Dawson, through measureless solitudes of pine forests and majestic mountains. I have made the pilgrimage in our Army command cars and in patrol vehicles of the famous Royal Canadian Mounted Police. And I know full well we will never have reliable land contact with Alaska until the Alaska Highway is paved, and until a railroad is thrust northward through Rocky Mountain trench, a project very close to the heart of the able senior Senator from Washington [Mr. MAGNUSON].

Senator MAGNUSON is, I believe, also vice chairman of the Alaska International Rail and Highway Commission, which was created by the Congress about

2 years ago to make a study of possible additional transportation routes in this vast and still largely trackless area, apart from the Alaska Highway itself. A bill to extend the life of this Commission, S. 2933, is now before the Senate Committee on Foreign Relations, and I trust that it will pass, so that the Commission can undertake the fundamental and thorough study of the economic needs and potentials upon which the development of these additional land communications will be based.

Mr. President, Mr. Theo. Sneed, technical staff member of the Committee on Public Works, has prepared for me a short memorandum describing in more detail the background and present status of the Alaska Highway which it is proposed to improve. Mr. Sneed knows whereof he speaks, because I first met him when he was himself engaged in the construction of this great project during the war as a colonel in the United States Army Corps of Engineers. I ask unanimous consent that this brief, factual background memorandum by Colonel Sneed be printed in the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

#### MEMORANDUM ON THE ALASKA HIGHWAY

The Alaska Highway was completed under the supervision of the United States Army in 1943. A pilot road was pushed through the area by engineer troops from March to November 1942, being widened and relocated where necessary, to provide a 2-lane graveled surface, with drainage and bridges, by American and Canadian contractors working under the supervision of the Bureau of Public Roads during the 1942 and 1943 working seasons.

The Alaska Highway as then completed extended from the end of the railroad at Dawson Creek, British Columbia, Canada, to Fairbanks, Alaska, a distance of about 1,550 miles. From Dawson Creek the highway passes through Fort St. John, British Columbia, Fort Nelson, British Columbia, Watson Lake, British Columbia, Whitehorse, Yukon Territory, Northway, Alaska, Tanacross, Alaska, Big Delta, Alaska, and Fairbanks. A cutoff road was constructed from Haines, Alaska, on the coast, to the Alaska Highway 108 miles north of Whitehorse.

Extensive United States Army installations, including airfields, were constructed at Edmonton, Grande Prairie, Dawson Creek, Fort St. John, Fort Nelson, Watson Lake, Whitehorse, Northway, Tanacross, Big Delta, and Fairbanks. A telephone line extends along the Alaska Highway to Alaska, with a relay station about every hundred miles. A gasoline pipeline now extends from Haines, Alaska, on the coast along the Haines Cutoff and the Alaska Highway to Fairbanks. A major air base has been completed about 20 miles southeast of Fairbanks (Eilson Field), and the Arctic Testing Station of the Air Force is located at Big Delta, 95 miles southeast of Fairbanks.

Good highways extend from various points in the United States to Edmonton. From Glacier National Park in Montana through Calgary to Edmonton, 375 miles, and from Grand Forks, N. Dak., through Winnipeg, Manitoba, Regina and Saskatoon, Saskatchewan, to Edmonton, 1,100 miles.

From Dawson Creek to the Yukon-Alaska border on the Alaska Highway, 1,221 miles, will require improvement of the existing highway with respect to drainage, minor relocations, bridge and culvert replacement,

slide removals and corrections, and surfacing.

The Haines Cutoff within Canada consists of 110 miles from the junction with the Alaska Highway to the British Columbia-Alaska border, and would require major reconstruction and relocation, including grading, drainage, structures, removal of slides, and surfacing.

The Alaska Highway is improved and has a bituminous plant mix surface course in Alaska from the Canadian border to Fairbanks. It connects with the Richardson Highway, about 95 miles from Fairbanks. The Richardson Highway extends southward to the coast at Valdez, with the Glenn Highway extending from the Richardson Highway westward to Anchorage. Thus Anchorage and Fairbanks, the major cities and defense centers in Alaska, are now connected by an improved highway. A cutoff road extends from the Richardson Highway at Gulkana northeastward to the Alaska Highway near Tanacross, about 100 miles east of Big Delta. Improved highways extend from Fairbanks to Circle, on the Yukon River (130 miles) and north to Livengood (95 miles).

The total length of highway proposed for improvement in Canada is 1,331 miles, at an estimated cost of about \$125 million. It is proposed that the Canadian Government contribute 50 percent of the cost of construction and improvement of the highway, in addition to furnishing the necessary rights-of-way.

Mr. NEUBERGER. Mr. President, during the statehood debate some Senators were skeptical as to the future economic progress of Alaska as a State of the Union. The answer to that, of course, has always been that we should recognize our responsibility to make real continuing progress possible. This is a responsibility which our Government would have irrespective of whether the area and the people involved were organized as a Territory or as a State, just as it is a responsibility for our National Government as recognized and carried out throughout its existence for all the earlier areas and people to come under the United States flag. Of course, any of the States represented today in this body would reasonably feel handicapped in the economic advancement if they were tied to their neighbors in the Union only with a dirt or gravel road. I have no doubt that the development, not only of Alaska but of the intervening areas of western Canada—in Alberta and British Columbia and in the water-rich country of the southern Yukon Territory—holds a potential for economic development in our century which will be hastened by the development of an all-weather paved highway to the great benefit of both countries and all the people concerned. It is in this faith that I offer my proposal today.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4097) to authorize the appropriation of funds for the construction, reconstruction, and improvement of the Alaska Highway, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

#### EXTENSION OF PERIOD FOR FILING CERTAIN CLAIMS RESULTING FROM RENEGOTIATION OF CONTRACTS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, proposed remedial legislation in connection with claims for refund resulting from renegotiation proceedings.

Section 105 (b) (8) of the Renegotiation Act of 1951 provides that in eliminating excessive profits in renegotiation proceedings the contractor shall be allowed "credit for Federal income and excess profits taxes as provided in section 3806 of the Internal Revenue Code" of 1939—section 1481 of Internal Revenue Code of 1954. Under those sections of the Internal Revenue Code the contractor is entitled to a credit against the amount of excessive profits to be refunded of the amount by which the Federal income tax for the year under renegotiation is reduced through the elimination of those excessive profits.

Thus, for example, let us assume that in renegotiation proceedings for the year 1953 it is determined that the amount of excessive profits to be refunded by a contractor to the Government is \$1 million. Let us further assume that the contractor's taxable income for the year 1953 was \$1 million, upon which it paid a tax of \$500,000. By the elimination in renegotiation of \$1 million of profits, the contractor's taxable income in 1953 is thereby reduced to zero, and his tax for 1953 is thereby reduced from \$500,000 to zero. Accordingly, he has a tax credit of \$500,000 to apply against the renegotiation refund of \$1 million and the net refund to be made to the Government is \$500,000.

Mr. President, the foregoing arrangement for credit works quite satisfactorily so long as the contractor has available for the year being renegotiated a tax credit at least equal to the tax payable on the amount of profits being eliminated in renegotiation. However, situations arise where, as a result of the elimination of excessive profits in renegotiation, the contractor sustains an operating loss for the year being renegotiated. In such circumstances he is entitled not only to a credit of the full tax paid by him for that year, but he also has a net operating loss carry-back which furnishes the basis for a claim for refund for overpayment of taxes paid in a prior year. Thus, for example, let us assume that in each of the years 1952 and 1953 the contractor had taxable income of \$1 million. Let us further assume that in renegotiation proceedings for the year 1953 it was determined that the contractor had excessive profits to be eliminated of \$1,500,000. The result is to give the contractor a credit for the full tax paid by him in 1953 and also to give a net operating loss carry-back of \$500,000, which furnishes the basis of a claim for refund for overpayment of tax in 1952.

The difficulty with the foregoing provisions of the existing law is that very often the amount of excessive profits to be eliminated is determined in the renegotiation proceedings several years after



the year for which the renegotiation proceedings are being conducted. Accordingly, if a net operating loss carryback occurs as a result of the renegotiation determination, the period of limitations will, in all likelihood, have run with respect to the year for which the claim for refund is to be made. Under these circumstances, the claim for refund is barred and the contractor has no means of obtaining the benefit of the operating loss carryback to which he would otherwise have been entitled. Consequently, remedial legislation is required to keep open the period of time for filing such claims for refund until a reasonable period after such renegotiation determinations have been made.

That the events which result in a net operating loss carryback may not occur until a number of years after the close of the taxable year of the overpayment has already been recognized by Congress in the Tax Adjustment Act of 1945, wherein sections 322 (6) and (g) were added to the Internal Revenue Code of 1939. Those sections provide for a longer period of limitations for claims for refund in the case of net operating loss carryback than in other types of claim for refund and, in the words of the House report—No. 849, 79th Congress—are based on "recognition of the fact that the events which result in a net operating loss carryback or an unused excess profits credit carryback may not occur until a number of years after the close of the taxable year of the overpayment."

Sections 322 (6) and (g), however, do not afford relief in the renegotiation situation where the determination resulting in the net operating loss carryback occurs even beyond the limitation period provided for by sections 322 (6) and (g).

To correct this gap, it is proposed that section 322 of the Internal Revenue Code of 1939, and its equivalent section 6511 of the Internal Revenue Code of 1954, be amended by adding a provision substantially as follows:

If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback resulting from the elimination of excess profits in renegotiation proceedings, the special period of limitations for filing claims for credit or refund with respect to net operating loss carrybacks shall be extended to the close of the taxable year of the taxpayer following the year of agreement or order of the Renegotiation Board providing for the elimination of excessive profits in such renegotiation proceedings. The foregoing provision should be made effective as to claims for refund for taxable years ending in 1952 and succeeding years.

Mr. President, I send to the desk the bill which I have had drafted to accomplish this purpose. I ask unanimous consent that the bill be printed at this point in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 4101) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts, introduced by Mr. HUMPHREY,

was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That (a) section 6511 (d) (2) (A) of the Internal Revenue Code of 1954 (relating to special period of limitations with respect to net operating loss carrybacks) is amended by inserting before the period at the end of the first sentence thereof the following: "except that if the net operating loss carryback results from the elimination of excessive profits by a renegotiation (as defined in section 1481 (a) (1) (A)), the period shall be that period which ends with the close of the taxable year following the taxable year in which the agreement or order for the elimination of such excessive profits becomes final."

(b) Section 322 (b) (6) of the Internal Revenue Code of 1939 (relating to special period of limitations with respect to net operating loss carrybacks) is amended by inserting before the period at the end of the first sentence thereof the following: "except that if the net operating loss carryback results from the elimination of excessive profits by a renegotiation (as defined in section 3806 (a) (1) (A)), the period shall be that period which ends with the close of the taxable year following the taxable year in which the agreement or order for the elimination of such excessive profits becomes final."

(c) The amendment made by subsection (a) shall apply with respect to claims for credit or refund resulting from the elimination of excessive profits by renegotiation to which section 6511 (d) (2) of the Internal Revenue Code of 1954 applies. The amendment made by subsection (b) shall apply with respect to claims for credit or refund resulting from the elimination of excessive profits by renegotiation to which section 322 (b) (6) of the Internal Revenue Code of 1939 applies, but only with respect to claims resulting from renegotiations for taxable years ending after December 31, 1952.

#### AVAILABILITY OF RETIREMENT BENEFITS TO CERTAIN MILITARY PERSONNEL

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to correct an inequity in present legislation governing retirement benefits extended to American military personnel serving this country in time of armed conflict. The purpose of this bill is to make the retirement benefits of the Army and Air Force Vitalization Act of 1948 available to certain persons who rendered active Federal service during the Korean war. Specifically, this bill extends retirement benefits to those men who were members of a Reserve component on or before August 15, 1945, and who did not perform active Federal service during either World Wars I or II, but did perform active duty other than for training during any portion of the Korean conflict, June 27, 1950 to July 27, 1953.

Since the 1948 act extends similar retirement benefits to qualified personnel who served in World Wars I and II, and since personnel serving in the Korean conflict were subjected to the same hardships as servicemen serving in the first two world wars, it is only fair that our Korean veterans receive comparable retirement benefits. To deny them such benefits would be to discriminate against those men who served our country so well during the Korean conflict.

In endorsing such extension of retirement benefits, the Defense Department estimates that the extension would be applicable to no more than 200 men, and thus would not impose a heavy financial obligation on this Government.

The bill which I introduce is a companion to H. R. 781, introduced in the House by Representative Marshall, from the State of Minnesota. The bill, as amended, was reported favorably by unanimous vote in the House Committee on Armed Services, and is presently on the Consent Calendar awaiting House action, which is scheduled for the 7th of July.

In view of the manifest fairness of this bill and of the inequitable nature of existing legislation, I hope for early action by this Chamber. Mr. President, to provide for further clarification as to the nature of this bill, I ask unanimous consent to have printed in the RECORD at this point excerpts from House Report No. 1984, issued by the House Committee on Armed Services to accompany H. R. 781 as amended.

There being no objection, the excerpts were ordered to be printed in the RECORD as follows:

#### EXPLANATION OF THE BILL

Existing law, as expressed in the third proviso of subsection 302 (a) of Public Law 810, 80th Congress, provides that no individual who was a member of a Reserve component prior to August 15, 1945, shall be eligible for retirement benefits under title III of that law unless he performed active duty during World War I or World War II. There are a small number of individuals who were members of the Reserve prior to August 1945 but did not serve in World War I or World War II. Usually these individuals held positions which were vital to the national security, safety, and welfare, and were considered to be more valuable in their civilian pursuits than if called to active duty. However, after the close of World War II they continued their membership in the Reserve, and following the outbreak of Korea either volunteered or were called to active duty and served honorably during the Korean conflict. Therefore, enactment of the bill would extend the benefits of the Reserve Retirement Act to members of the Reserve prior to August 14, 1945, who had served in the Korean conflict, on the same basis as members of the Reserve who served in World Wars I and II.

#### COST AND BUDGET DATA

It is difficult to estimate cost for this bill because without a thorough search of the records of all reservists who were called to active duty during Korea it is not known how many would fall into this category. However, it is estimated that there are less than 200 persons who would be covered by the bill, and there would not be any immediate fiscal effects. In the future, and depending on how many of these reservists qualify for retirement, the maximum cost of the bill would be \$200,000 annually.

#### DEPARTMENT RECOMMENDATIONS

The Department of Defense favors enactment of the bill, and the Bureau of the Budget interposes no objection. The Department letter follows:

#### DEPARTMENT OF THE ARMY,

Washington, D. C., August 6, 1957.

HON. CARL VINSON,  
Chairman, Committee on Armed Services, House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 781, 85th Congress, a bill to

make the retirement benefits of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 available to certain persons who rendered active Federal service during the Korean conflict. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The purpose of the bill is to make eligible for retirement benefits under title III, Army and Air Force Vitalization and Retirement Equalization Act of 1948 (62 Stat. 1081 (now codified as ch. 67 of title 10, U. S. C.)), these otherwise qualified individuals who were members of a Reserve component on or before August 15, 1945, but did not perform active Federal service during any portion of either of two periods beginning April 6, 1917, and ending November 11, 1918 (World War I period), and beginning September 9, 1940, and ending December 31, 1946 (World War II period), but did perform active duty (other than for training) during any portion of the period beginning June 27, 1950, and ending July 27, 1953 (Korean conflict period).

The Department of the Army on behalf of the Department of Defense favors enactment of H. R. 781, 85th Congress.

Section 1331 (c) of title 10, United States Code (formerly subsec. 302 (a), Army and Air Force Vitalization and Retirement Equalization Act of 1948), provides that no individual who was a member of a Reserve component before August 16, 1945, shall be eligible for retirement benefits under chapter 67 of title 10, United States Code, unless he performed active duty during any portion of either of the World War I or World War II periods. The Department favors the extension of such retirement benefits to individuals who performed active duty for an extended period of time with the active forces during the period of the Korean conflict even though they were members of a Reserve component before August 16, 1945, but did not perform active duty during either the World War I or II periods. Entitling such individuals to these benefits is believed to be only fair and equitable since they would have been subject to the same hardships and dangers that confronted personnel who served during World War I and World War II.

H. R. 781 contains the changes recommended by the Department in its report to the committee dated March 23, 1955, on H. R. 138, 84th Congress. This bill, thus amended, passed the House of Representatives but failed of enactment by the Senate prior to adjournment of the 84th Congress.

In view of the foregoing, the Department of the Army on behalf of the Department of Defense favors the proposal contained in H. R. 781. A substitute draft reflecting the codification of laws affecting the Armed Forces is submitted herewith.

The fiscal effects of the enactment of this proposal are unknown and could not be determined without a physical review of the records of the thousands of reservists who were called to active duty during the period of the Korean conflict. It is believed, however, that the number of individuals who would be affected by enactment of this legislation would be relatively small.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that there is no objection to the submission of this report to Congress.

Sincerely yours,

CHARLES C. FINUCANE,  
Acting Secretary of the Army.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 4102) to make the retirement benefits of the Army and Air Force Vitalization and Retirement Equalization

Act of 1948 available to certain persons who rendered active Federal service during the Korean conflict, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Armed Services.

#### INCREASED COMPENSATION OF OFFICERS AND EMPLOYEES IN POSTAL FIELD SERVICE—REREFERENCE OF BILL

Mr. JOHNSTON of South Carolina. Mr. President, the Senate has already disposed of a bill similar to the bill (S. 27) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, which is Calendar No. 716. Rather than have this bill carried on the calendar, day after day, I ask unanimous consent that it be taken from the calendar and referred to the Committee on Post Office and Civil Service.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. HUMPHREY:

Remarks by Senator HILL on presentation of a plaque to Surg. Gen. Leroy E. Burney, of the United States Public Health Service, July 1, 1958.

By Mr. YARBOROUGH:

Statements prepared by him regarding Senate bill 86, providing for an experimental research program, and House bill 7963, changing the Small Business Administration from a temporary agency to a permanent agency of the Government.

#### NOTICE OF CONSIDERATION BY FOREIGN RELATIONS COMMITTEE OF THE NOMINATION OF WALDEMAR J. GALLMAN TO BE AMBASSADOR TO THE ARAB UNION

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today from the President of the United States the nomination of Waldemar J. Gallman, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Arab Union.

Notice is given that the Committee on Foreign Relations, at the expiration of 6 days, in accordance with the committee rule, will give consideration to this nomination.

#### NOTICE OF HEARINGS ON PROFESSIONAL TEAM SPORTS BILLS

Mr. KEFAUVER. Mr. President, on Wednesday, July 9, at 10 a. m., in room 318 of the Senate Office Building, the Antitrust and Monopoly Subcommittee of the Senate Committee on the Judici-

ary will begin hearings on H. R. 10378 and S. 4070. These are identical bills and would make inapplicable the antitrust laws to certain aspects of designated professional team sports. H. R. 10378 passed the House of Representatives on June 24, 1958, and was offered on the floor of the House as a substitute for the Celler bill by Congressmen WALTER, KEATING, MILLER, and HARRIS. S. 4070, identical to H. R. 10378, was introduced in the Senate on June 27, 1958, by one of the distinguished members of the Senate Antitrust and Monopoly Subcommittee, Senator THOMAS C. HENNING, JR., of Missouri. This bill has not as yet been referred to the Judiciary Committee and, in turn, to the Antitrust and Monopoly Subcommittee because, as I understand it, it is to remain on the desk through Monday, July 7, for the signatures of cosponsors. It is then expected that the bill will be, in turn, referred to the Senate Antitrust and Monopoly Subcommittee.

The subject matter of these bills is of tremendous public interest. These hearings are to be open hearings and all Senators and Congressmen wishing to express themselves are urged to attend and testify. Members of the public participating in the fields covered by these bills, or who are of the opinion that they possess particular information which would be of vital interest in considering the measure are urged to contact the Antitrust and Monopoly Subcommittee in order that a suitable appearance date might be arranged.

As everyone knows, on Tuesday, in the city of Baltimore, Md., the annual all-star baseball game is to be held. Because of the nearness of this game to the city of Washington and also due to the fact that no major league ball games are scheduled on Wednesday, the day following the contest, as a matter of convenience I have invited several of the outstanding ball players to appear before the Antitrust and Monopoly Subcommittee at its initial hearing on Wednesday morning, at 10 a. m. Players invited to appear and testify at this time are Mr. Ted Williams of the Boston Red Sox, Mr. Mickey Mantle of the New York Yankees, Mr. Stan Musial of the St. Louis Cardinals, Mr. Robin Roberts of the Philadelphia Phillies, who is the National League players' representative, and Mr. Edward Yost of the Washington Senators, the American League players' representative. In addition to these players, I have also invited Mr. Casey Stengel, the manager of the New York Yankees and this year's American League all-star manager.

The subcommittee expects to hear from representatives of the Department of Justice, the Federal Trade Commission and the Federal Communications Commission. The subcommittee also expects to hear from the commissioners and other representatives of organized baseball, football, basketball, and hockey. Also, the subcommittee expects to invite former Senators Edwin Johnson and A. B. "Happy" Chandler. Senator Johnson chaired the subcommittee of the Interstate and Foreign Commerce Committee which in 1953 considered a



bill respecting the broadcasting and televising of baseball games and should by virtue of his active background and experience in baseball have much to offer to the subcommittee. Senator Chandler, who is presently Governor of the Commonwealth of Kentucky, as everyone will remember, left this body to serve as commissioner of organized baseball.

The other members of the Antitrust and Monopoly Subcommittee are: Senators THOMAS C. HENNING, Democrat, of Missouri; JOSEPH C. O'MAHONEY, Democrat, of Wyoming; JOHN A. CARROLL, Democrat, of Colorado; WILLIAM LANGER, Republican, of North Dakota; EVERETT M. DIRKSEN, Republican, of Illinois; and ALEXANDER WILEY, Republican, of Wisconsin.

### PICKETT'S CHARGE

Mr. ROBERTSON. Mr. President, 95 years ago the Battle of Gettysburg marked the turning point of the unfortunate War between the States. Tomorrow will be the anniversary of the most memorable phase of that battle—the charge of Pickett's division.

Dr. Clifford Dowdley, of Richmond, Va., in his new book, *Death of a Nation*, quotes General Lee as saying on the fateful night of July 3, 1863:

I never saw troops behave more magnificently than Pickett's division of Virginians did today in that grand charge upon the enemy. And if they had been supported as they were to have been—but, for some reason not yet explained to me, were not—we would have held the position and the day would have been ours.

The record of Pickett's men "is not graven only on stone over their native earth, but lives on far away without visible symbol, woven into the stuff of other men's lives."

As a tangible reminder of their irrefragable courage, however, I ask unanimous consent to have published at this point in the RECORD an eloquent address delivered by Maj. R. Taylor Scott, of Warrenton, Va., at the unveiling of a monument to the memory of Maj. Gen. George E. Pickett, in Hollywood Cemetery, Richmond, Va., on October 5, 1888.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS AT THE UNVEILING OF THE MONUMENT IN HOLLYWOOD CEMETERY, OCTOBER 5, 1888, BY MAJ. R. TAYLOR SCOTT, OF WARRENTON, VA., MONUMENT TO THE MEMORY OF MAJ. GEN. GEORGE E. PICKETT AND HIS DIVISION

Surviving comrades of Pickett's Division: More than 27 years have passed since the war cloud broke upon this Commonwealth; more than 23 since the last gun's echo died away at Appomattox, and more than a quarter of a century has been added to the past, since, as a division, "Pickett's men" formed at the dawn of a July day and marched to their position upon the field to bear their part in one of the greatest battles of ancient or modern times. Why are we again assembled this October day in Hollywood, Richmond's beautiful "city of the dead"? Virginia's capital is decked in holiday garb and holds high carnival. Her great exposition, with its object lessons, tells us of the world's advance—what the genius of men has done and is doing in science, art, manu-

factures, and agriculture. "Historic relics" speak of the past and delight us with their beauty, and the surging masses come and go. Withdrawn from this hurly-burly, "Pickett's men" today unveil and dedicate a monument to the memory of their gallant commander and to the officers and men of Virginia's Division of the Army of Northern Virginia.

What are monuments? Why are they, and what do they mean? Monuments embody two ideas—the commemoration of the past and admonition to the future. They are landmarks of civilization, and write the history of the nations of the earth, mark their epochs, and hand down to posterity their illustrious dead. Egypt's solitary pyramids tell of the Pharaohs and of Israel's bondage and deliverance. Their presence—their tops gilded by the rising sun—inspired the great Napoleon, nerved his legions for battle and victory, and drew from him the ringing, stirring words, "Soldiers, consider that from the summit of those pyramids 40 centuries have their eyes fixed upon you."

The ruins of Thebes, Nineveh, Babylon, Troy, Jerusalem, "the buried cities," are monuments of the people who once ruled the world. Athens, the Acropolis, Mars' Hill, the temple ruins, are monuments to poets, painters, sculptors, statesmen, and philosophers. The Colosseum and Forum and "the classic ruins" of imperial Rome tell us of the rulers and the ruled. Paris, Brussels, Milan, Edinburgh, and London teem with monuments. Whose heart does not thrill, whose blood does not more quickly throb and pulse when he sees or reads of Westminster Abbey, England's grand mausoleum and monument? In the public square of your beautiful and growing city stand monuments, the pride and glory of this grand old State. They speak to us of devoted patriotism and heroic bravery; of judges, orators, statesmen, and soldiers. Ere long another will be raised to tell coming generations of the grandest man who has ever lived or died, Robert Edward Lee.

Consecrated by prayer, we unveil our monument, and dedicate it to the memory of Maj. Gen. George E. Pickett and his division. It will tell the old, old story—

"The fittest place where man can die  
Is where he dies for man."

It will tell of the dark sad days of 1861, how we struggled to preserve our Union—the Union under the Federal Constitution, as we read it and the forefathers who made it taught us to construe it. How, when a sectional party elected a sectional President, who, disregarding his oath to support the Constitution, without the authority of Congress, declared war, and invaded with his armies the territory of sovereign States—States whose only offense was that they asserted and exercised rights and powers reserved to them, and never granted to the Federal Government, and in defense of their homes, of personal freedom, and civil liberty took up arms. Virginians, descended from Revolutionary sires, who, when the sound of musketry upon the plains of Lexington was borne to them upon the northern blast, sprang to arms, and rushed to the support of their brothers in the Colony of Massachusetts, could not have done otherwise.

It will tell of Longstreet, Clarke, Ewell, Ambrose Powell Hill, and William R. Terry. How Kemper was wounded and left upon the field to die; how God spared his life, to be, when the war was over, Governor of this Commonwealth; of his regiments—the 1st, 3d, 7th, 11th, and 24th Virginia Volunteers; their ranks filled with the young manhood of Richmond, Petersburg, Portsmouth, and Norfolk, Washington city sending her contingent. From seaside and mountaintop they came when war's alarm sounded. Their battle flag floated from Bull Run to Appomattox. In the language of Kemper in his address to his men when forced to leave them,

the men he loved so well and who had followed him so steadfastly:

"Stouter heroes have not trod the field of battle. In your torn flags, your scarred persons, your roll of gallant dead, you bear memories of a long succession of glorious conflicts; from the smoke and fire of not one of them have you emerged without honor." It will tell of Moore, Williams, Skinner, Patton, Garland, Pollock, Greiger.

"On their transcendent deeds one long, fond glance we cast,  
And with unconquered hearts thank God we have a past."

It will tell of Gen. Montgomery D. Corse, and of the 15th, 17th, 29th, 30th, and 32d Virginia Regiments of Volunteers; of Manassas, Bethel, and Drewry's Bluff; of Frederickburg, Sharpsburg, Five Forks, and Sailor's Creek; of Capt. John Quincy Marr, the first blood of the war, how he met the invaders at Fairfax Courthouse, and fell in defense of his native State; of Thomas P. August, John Stuart Walker, and Robert S. Chew; of William Dulany and his Fairfax men; of Jack Humphrey and Winston Carter, and the men of the 17th Virginia who fell at Williamsburg; of Morton Marye, Arthur Herbert Bryant, Charles U. Williams, and Hooe; of David Funsten, and George W. Brent; of the patient service and sturdy manhood of Virginia's sons—her jewels—whose blood made red every battlefield of the war.

"Virginia, great alike in weal and woe,  
What splendors, like a halo, round thee gleam,  
What grandeur dwells within thy very name."

It will tell of Gen. Lewis Addison Armistead, Fauquier's noble and gallant son. Of the 19th, 14th, 38th, 53d, and 57th Virginia Regiments; of Hodges, Owens, Edmonds, Magruder, Cabell, Phillips, Martin, White, and Aylett; of Generals Barton and Stewart. Will tell how Armistead led his brigade, in the final charge at Gettysburg, and fell mortally wounded among the Federal guns upon the hilltop; of his cheery words to his men, how he bade them, "Remember, you are fighting for your liberties; strike for your homes, your wives, and your sweethearts—follow me." How this brigade was always found where honor called and duty led, was first in the advance and last in retreat.

It will tell of Gen. Richard Brooke Garnett, that noble heart and gallant soldier, whose body fills some unknown and unmarked grave upon the field at Gettysburg. Of the brave men of the 18th, 19th, 28th, and 56th Virginia Regiments. Of the old Eighth Virginia, and the boys from Loudoun, Prince William, Fairfax, and Fauquier; their baptism in fire at First Manassas; how they fought at Ball's Bluff, how they stood at Williamsburg, Second Manassas, and Antietam, how they charged at Gaines' Mill, and how at Gettysburg all "the field officers were killed or wounded, and of the 200 men and 21 officers who went in, not a baker's dozen came out." Will tell of Grayson, the Berkeleys, and Hunton; of Seven Pines, Gaines' Mill, Frazer's Farm, and Cold Harbor. Of Col. Robert E. Withers, Robert T. Preston ("Old Bob," as the boys called him), and his quaint commands. Of Thrift, Carlington, Rust, Strange, Allen (Robert), and Watts; of Linthicum, "our fighting parson," tender as woman, and as gallant as "a knight of ye olden time." Of the only brigade that sent to headquarters a report after dread Gettysburg, and of the one-armed major commanding the 19th Virginia Regiment, Charles S. Peyton, who made this report. On every battlefield the banners of "the Game Cock Brigade" were unfurled, and the blood of its heroes flowed.

"Gashed with honorable scars,  
Low in glory's lap they lie;  
Tho' they fell, they fell like stars,  
Streaming splendor thro' the sky."

It will tell of Maj. James Dearing and his battalion of artillery, how he was made a brigadier general of cavalry, and killed April 7, 1865; how he died as he had lived—every inch a hero. Of Blount, Caskie, Clouston, and Stribling, and their men; of private Kendall, an uneducated unknown boy from Fauquier, with a heart filled with noble promptings and heroic purpose, who, wounded at Malvern Hill and taken to the rear, called to his comrade who held the battery horses to take his place at the guns, and said, "Though I cannot fight, my arm will make a good hitching post for the horses." How he held the horses, and when the fight was over they found him stark and cold in death. His epitaph should be that of Latour D'Auvergne, the grenadier of France—"Died on the field of glory."

It will tell of the kindhearted, frank, generous, dashing, daring, and knightly George E. Pickett, beloved by his men, and their only commander, who from the spring of 1862 to the surrender at Appomattox, bore with them their hardships and shared their triumphs. Educated at West Point, he entered the Army of the United States at the beginning of the war with Mexico, and fought from Vera Cruz to the city of Mexico. At Cerro Gordo, Molino del Rey, Contreras, Cherubusco, Chapultepec, and the assault upon the city, Lieutenant Pickett deported himself gallantly, was gazetted and promoted, and upon the island of San Juan—then Captain Pickett—defied the British fleet, and retained possession of that island. Who, in 1861, at the call of his mother State, resigned his commission and came to her, was made a colonel and assigned to duty upon the Rappahannock River. In the spring of 1862, was made a brigadier general, and assigned to the command of Cocke's brigade; was severely wounded June 27, 1862, at Gaines' Mill, rejoined his command as the army returned from Maryland, and promoted to the rank of major general, October 10, 1862.

General Pickett was highly esteemed by his superior officers, and in command of the department of Virginia and North Carolina exhibited decided executive ability; he participated and bore conspicuous part in most of the engagements which immortalized the army of northern Virginia, and commanded his division in their walk to death up the bloody steep of Cemetery Hill.

This monument will tell of Walter Harrison, his inspector general, and of Lewis, his chief surgeon, their duty done, their work on earth completed; of his men and officers who, though denied success—"on fame's eternal bead-roll, worthy to be fyled"—will tell of a division in the language of a sweet singer of my native town—

"Wherever field was to be held or won,  
Or hardship borne, or right to be maintained,  
Or danger met, or deed of valor done,  
Or honor, glory gained!  
Called to front death face to face,  
There was its rightful place!"

We place our monument to Pickett and his men where rest the heroes of the "lost cause." Here sleep more than 7,000 nearby, with no stately marble nor enduring brass to mark the spot. Only a granite curb inscribed "Lt. Gen. A. P. Hill" is all that was mortal of the great soldier whose name was last upon the lips of Jackson and of Lee. But the words by them spoken, "Tell A. P. Hill to prepare for action," "Send for A. P. Hill," "Tell A. P. Hill to move on my right," will ring and echo down the corridors of time and survive the tablet of brass or the

granite column. Here lies the chivalric, dashing, light-hearted commander of our cavalry corps, whose life was given at Yellow Tavern in defense of Richmond; and here are Smith, twice governor, crowned with civic and military wreaths; Wise, who, when the range of his guns was insufficient for the work, lessened the distance between his command and the enemy, whose voice in 1861 was for war, but war within the Union. Harris and Wheat:

"Soldiers, rest, thy warfare o'er,  
Sleep the sleep that knows no breaking,  
Dream of battlefields no more,  
Days of danger, nights of waking."

Comrades, we indulge no vain regrets and harbor no rebellious thoughts. We claim to be worthy of our dead, honest men, loyal citizens of this great Republic, but loyal, too, to Virginia and the South. We believed, and today believe, the cause of Virginia and the South was just; the principles for which we fought, the foundation of civil liberty and self-government, the very cornerstone of the column, yea, the keystone of the arch upon which rests the Federal Union. Our construction of the Constitution was that of the men who made it, and with whose blood that instrument was baptized. We believe that eternal right, though all else fail, can never be made wrong, and that there is a divinity which shapes our ends, rough hew them as we will. We appealed to the sword, and by the judgment rendered we stand; stand true to our manhood, without apologies, and point to the past as a pledge of loyalty in the future.

From conflicts and years of continued wars, desolating, devastating, internecine, came united Germany, the fatherland. Great as was the great Frederick and his kingdom, greater, far greater, the German Empire its grand old Emperor William transmitted to his son, the patient, brave, suffering Frederick, and now ruled by the grandson. From baronial turmoils, the Wars of the Roses, and civil strife, imperial England and the United Kingdom of Great Britain was born. So may it please Him whose voice is the thunder and eye the lightning's flash, who rides upon the storm, and whose days are without number, to bring out of our strife and our war a better people and more enduring Government.

By this monument and these graves, and in the sight of this cloud of witnesses, we swear, if this be not the result, it will be no fault of ours.

"Out of the gloom future brightness is born,  
As after the night looms the sunrise of morn;

And the graves of the dead, with grass overgrown,

May yet form the footstool of liberty's throne;

And each single wreck in the warpath of might,

Shall yet be a rock in the temple of right."

Soldiers of the Philadelphia Brigade, welcome to Virginia. Welcome to our capital city. We greet you as friends.

"Peace hath her victories,  
No less renowned than war."

We meet as citizens, coequal citizens, of our common country. We have met before; the years that have passed have silvered our heads, furrowed our faces, and dimmed our eyes, but our hearts are honest and warm and true. Pickett's men remember "the bloody angle" and the "stonewall" upon Cemetery Hill. Your sturdy defense of the hill "at the angle," stubborn resistance and "Yankee-pluck," made your brigade immortal and you heroes. Coming generations, who read of Marathon, Thermopylae, Austerlitz, the Bridge of Lodi, Waterloo, and of Balaklava, will read also of Gettysburg—

great as each; yea, greater than all. Thrice welcome to Virginia. We welcome your Governor. Welcome, each one and all of you. A personal welcome to the able, courteous, and patriotic editor of the Philadelphia Times—your guest.

Today, in "our father's house," Virginia and "the Old South," pledge with you allegiance to this Union—an indissoluble union of sovereign and indestructible States. The object and purpose of the Society of Cincinnati is ours, "to preserve inviolate the rights and liberties for which we have contended, to promote and cherish national honor and union between the States, to maintain brotherly kindness to each other, and extend relief "to those who are in need."

#### EXPULSION OF HUNGARIAN DELEGATES FROM THE INTERNATIONAL LABOR ORGANIZATION

Mr. SMITH of New Jersey. Mr. President, at the recently concluded meeting of the International Labor Organization in Geneva, Switzerland, the United States delegation led the successful movement to expel the Hungarian delegates from the conference.

In particular, Secretary of Labor James P. Mitchell played a leading role in the debate which resulted in the rejection of the credentials of the Hungarian Government, employer, and worker delegates.

It is important that this action be emphasized, since the ILO thus became the first international organization to deny seating to the present regime in Hungary.

I ask unanimous consent that the statement by Secretary Mitchell, dated June 25, 1958, urging expulsion of Hungarian delegates from the 42d session of the International Labor Conference, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SECRETARY OF LABOR JAMES P. MITCHELL URGING EXPULSION OF HUNGARIAN DELEGATES FROM THE 42D SESSION OF THE INTERNATIONAL LABOR CONFERENCE, GENEVA, SWITZERLAND

The reports of the credentials committee which are before us present a grave challenge to this conference; a challenge which must be faced squarely, analyzed with objectivity and overcome with courage and conviction. We have been asked by the majority of the credentials committee to reject the credentials presented to this conference by the employer, worker, and Government delegates of Hungary. This is a solemn recommendation. It must be treated as such.

The tragic events which have taken place in Hungary in the recent and not so recent past have become indelibly fixed in the public opinion of the world, and thus have become a matter of the utmost significance.

These events strike at the very basis of this organization—at that passion for human freedom and individual dignity to which Mr. MORSE so eloquently referred yesterday.

Therefore, would anyone contend here that the ILO should ignore these events because they have a political aspect? Would anyone say that these events should be forgotten by us, wiped from our minds and disregarded so that we might get on with our other work?

I hardly think any one of us would be so unmindful of the fundamental objectives of this organization to say that. No, we have



a question before us of overriding importance, which cannot be minimized or sidetracked.

Our first consideration, I believe, Mr. President, is the credentials of the Government delegates of Hungary, but in order to save the time of the Conference I wish to state that the United States delegation will vote for the majority report of the credentials committee not only in the case of the Government delegates, but also in the case of the employer and worker delegates from that country. As to the Government representatives from Hungary, my delegation will vote to reject their credentials for the following reasons:

The Special Committee of the United Nations which investigated the Hungarian uprising of 1956, established beyond doubt that the Soviet Union had crushed with armed might a legitimate popular national uprising of the Hungarian people and that the Soviet Union had imposed on the Hungarian people a government which was in no sense representative of the people or responsive to their will. Subsequently last September the General Assembly of the United Nations adopted a resolution, by a vote of 60 to 10, which stated that the Soviet Union had deprived Hungary of its liberty and political independence, and by armed might had imposed the present Hungarian regime on the Hungarian people. The resolution went on to call upon the Soviet Union to desist from repressive measures against that people and to respect their liberty and political independence.

Despite this solemn admonition by the General Assembly, the Soviet Union on June 17 announced the execution of Premier Imre Nagy, General Pal Maleter, and other legally appointed members of the Hungarian Government, and the imprisonment of a number of other Hungarian patriots, whose only crime was to seek greater freedom and independence for the Hungarian people. The Soviet-imposed Hungarian regime thus brazenly flouted the will of the United Nations General Assembly to the horror of the entire world. Furthermore, these acts of violence followed a formal assurance given to the Government of Yugoslavia, immediately before the arrest of Imre Nagy and certain of his colleagues, of safe conduct and an undertaking that they would not be punished for their past activities.

Recognizing the wave of revulsion which has swept the world as a result of these events, which constitute both a crime against humanity and a breach of international good faith, this Conference has no course but to give the fullest possible expression to its indignation against the present Hungarian regime.

I would recall for you the resolution adopted unanimously by this Conference just last week to mark the 10th anniversary of the universal declaration of human rights and pledging the continued cooperation of the ILO in the promotion of universal respect for and observance of human rights and fundamental freedom. Were these just idle words we voted for so enthusiastically, or were they ideals which must inspire our actions and enlighten our progress? I am sure we can agree they were the latter.

Now some will say: But this is for the United Nations to do, not the ILO. I would answer that this way: First of all, it is clear that in the execution of the Hungarian patriots which I have mentioned, the present Hungarian regime and/or the Soviet Union insulted the General Assembly of the United Nations by totally disregarding its solemn resolution. We are the first agency of the United Nations to meet since these tragic events took place. Therefore, it is our right and responsibility to act on behalf of the free peoples of the world in protest against this blatant disregard.

Second, the ILO is unique among international organizations. As Mr. Morse said

yesterday: "No international body reflects world currents of opinion so quickly and so fully as the International Labor Conference." This is plainly true and is as it should be, for in this Conference there are not only Government spokesmen but the representatives of workers and employers who are closely in touch with the currents of opinion in their respective countries. Their profound shock at the crimes of the present Hungarian regime reflects directly the opinions of all free people everywhere. Is it for us, the Government here, to smother their expression of this shock by overturning the majority report of the credentials committee? I think not.

Rather as free democratic governments I feel it is our responsibility to reflect this sense of indignation which has spread throughout our countries, to support the workers and the employers and to reject the credentials of the entire so-called Hungarian delegation to this Conference. The delegation in no sense represents the people of Hungary. It is in no sense responsive to their will or to their needs.

It is, according to an overwhelming majority of the nations of the world, representative only of a regime imposed by the armed might of a foreign power for the suppression of the Hungarian people.

#### INCREASED AUTHORIZATION FOR CERTAIN APPROPRIATIONS TO THE ATOMIC ENERGY COMMISSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1800, House bill 12457, to increase the authorization for two projects of the Atomic Energy Commission.

The VICE PRESIDENT. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12457) to further amend Public Law 85-162 and Public Law 84-141, to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. ANDERSON. Mr. President, this bill has been recommended unanimously by the Joint Committee on Atomic Energy, and was passed last week by the House of Representatives.

The bill will increase the authorization for appropriations to the Atomic Energy Commission for two worthwhile projects, funds for which have previously been authorized and appropriated by the Congress.

The bill increases the authorization for project 58-e-6, project Sherwood plant, from \$7,750,000 to a new total of \$10 million, or a net increase of \$2,250,000. Project Sherwood is a very important research program to achieve a controlled thermonuclear reaction, or the harnessing of fusion energy. This authorization will be used to cover the new model C stellerator now under construction at Princeton, N. J.

This bill also increases the authorization for project 56-c-1, particle accelerator program, from \$10 million to \$19,-

406,000, or a net increase of \$9,406,000. This will further the work on the two high-energy accelerators now being constructed by the Harvard-MIT group and the University of Pennsylvania-Princeton group. Further research in the high-energy field, through the use of these machines, is the cornerstone of our basic research program.

Mr. President, the bill was reported from the committee with unanimous support, and merely involves increased authorizations for two existing projects which are of high priority. The House of Representatives has passed the bill; and I ask that it be approved by the Senate, also.

The VICE PRESIDENT. The bill is open to amendment.

If there be no amendment to be submitted, the question is on the third reading of the bill.

The bill (H. R. 12457) was ordered to a third reading, read the third time, and passed.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the identical bill, Calendar No. 1782, S. 3786, which I introduced, be indefinitely postponed.

The VICE PRESIDENT. Without objection, Senate bill 3786 is indefinitely postponed.

#### ROBERT B. COOPER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1184, House bill 1804, for the relief of Robert B. Cooper.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. KNOWLAND. Mr. President, the purpose of the bill is to authorize and direct the Secretary of the Treasury to pay the sum of \$10,000 to Robert B. Cooper, of Morro Bay, Calif., in full settlement of all his claims against the United States arising out of personal injuries inflicted upon him by an officer of the United States Navy.

I ask unanimous consent that a statement by the Judiciary Committee, in explanation of the bill, be printed at this point in the RECORD; it is an excerpt from the committee's report on the bill.

There being no objection, the excerpt from the report (No. 1151) was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary, to which was referred the bill (H. R. 1804) for the relief of Robert B. Cooper, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE

The purpose of the proposed legislation is to authorize and direct the Secretary of the Treasury to pay the sum of \$10,000 to Robert B. Cooper, of Morro Bay, Calif., in full settlement of all his claims against the United States arising out of personal injuries inflicted upon him by an officer of the United States Navy.

#### STATEMENT

According to the report of the Department of the Navy, on March 15, 1944, a lieutenant in the Navy while on Southern Pacific Railroad train No. 75 en route pursuant to lawful orders from Los Angeles to San Francisco, Calif., was under the influence of in-

toxicating liquor. While in a state of intoxication he became abusive and quarrelsome and two pullman conductors, Frederick John Andrew and John B. Osborn, attempted to subdue him. Robert B. Cooper, a train conductor, came to the assistance of the two pullman conductors and in so doing was struck down twice by the naval officer who kicked and stomped him particularly kicking him in the right hip several times.

The naval officer was removed from the train at the next stop and turned over to the military police. He was tried by general court-martial on charges of drunkenness and conduct to the prejudice of good order and discipline and pleaded guilty to all charges, and such was the finding of the court.

An investigation disclosed that Mr. Cooper filed a suit against the Southern Pacific Co. in the superior court of the State of California seeking damages in the amount of \$50,000. This suit was disposed of through compromise settlement by a payment to him of \$5,500. He also received a cash settlement of \$1,300 on a policy issued by the Brotherhood of American Trainmen.

The report of the Southern Pacific Co. shows that claimant was originally employed by the company as a brakeman on the Los Angeles division from April 26, 1920, to September 14, 1920, when he was promoted to conductor and that he continued in the service in that capacity until March 11, 1946, when he ceased work evidently as a result of his physical condition. The report indicates that Mr. Cooper filed application for and was awarded a disability annuity under section 2 (a) 4 of the Railroad Retirement Act of 1937 at the rate of \$92.31 a month effective January 1, 1947, which amount was increased 20 percent July 1, 1948, and by an additional 15 percent effective as of November 1, 1951. The company states that trainmen are paid on the basis of mileage, etc., and do not receive a regular monthly salary. The timecard reports for the period January 1944 to March 1946, inclusive, indicate that the greatest amount earned by claimant during any month was \$380.01 which after deductions resulted in net earnings of \$313.21. The gross earnings for January and February 1944, the 2 months preceding the injury, were \$258.31 and \$222.54, respectively, with net earnings of \$218.97 and \$192.03.

Mr. Cooper was unable to furnish evidence of medical and hospital expenses incurred on account of the alleged injury stating that he received very little treatment and that most of the expenses were those incurred for physical examinations and X-rays. Dr. Emil C. Oberson, who furnished a medical report to Mr. Cooper's attorneys, declined to furnish a statement as to Mr. Cooper's indebtedness. In the above-mentioned report this physician diagnosed the case as chronic degenerative osteoarthritis, following an injury.

Mr. Cooper was given a physical examination at the infirmary of the United States naval auxiliary air station, Monterey, Calif., on November 9, 1951, by a medical officer in the Navy. The report on that physical examination stated, in part, as follows:

"The nature and longstanding chronicity of Mr. Cooper's illness makes his disability at present relatively complete. His illness is undoubtedly aggravated by his age and obesity. Little or no improvement may be expected and any improvement resulting from therapy may well be of a temporary nature; although loss of weight should be undertaken and orthopedic consultation is recommended."

At the time of the incident Mr. Cooper was 54 years of age. Dr. Oberson in giving the history of the case stated that prior to March 15, 1944, Mr. Cooper had not noticed any difficulty, nor was he in any accident which might have injured his right hip. It is noted, however, that in the complaint filed by Mr. Cooper's attorneys in the suit against the Southern Pacific Co., above mentioned, the injury is described in paragraph VII as

"severe injury in the region of the right hip with aggravation of previously existing senile coxitis, extreme pain and suffering and a severe shock to his nervous system."

The evidence available indicates that Mr. Cooper, while serving as a conductor on Southern Pacific train No. 75 on March 15, 1944, was in fact struck and kicked by a naval officer traveling on official orders who was intoxicated at the time, and this fact is conceded by the Department of the Navy. That Department, however, objects to favorable consideration of this claim and states, in part, as follows:

"In the instant case the naval officer concerned was traveling on a public conveyance and was not in the performance of any business for the Government in becoming intoxicated and assaulting employees of the railroad. To hold under such circumstances that the United States is liable for acts so performed would subject the Government to fantastic claims of liability having no relation to the doctrine of respondent superior as it is known and applied to determine the liability of private persons. Such liability was expressly denied by the United States Court of Appeals, Fifth Circuit, in *United States v. Campbell* (172 F. 2d 500) in holding that under the Federal Tort Claims Act the United States is not liable for injury sustained by plaintiff who was negligently run into by a sailor who was traveling under Government orders and who was running to catch a troop train notwithstanding the fact that the sailor may have been acting in line of duty."

The committee is constrained to disagree with the report of the Navy Department that this bill be not favorably considered. The Navy Department correctly holds that the serviceman who assaulted the claimant was not acting in the performance of any business for the Government, and ordinarily the committee would hold that because of this fact there would be no legal liability on the part of the United States. However, it is only by way of private relief legislation that a citizen who has been injured by a governmental employee may achieve relief. In the instant case, this claimant was severely injured by a serviceman and is unable to work because of the injuries resulting from this assault. It is within the power of the Congress to recognize a situation such as has occurred in this instance and, in view of the circumstances, the committee is of the opinion that some relief should be granted. Accordingly, the committee recommends favorable consideration of H. R. 1804, without amendment.

Attached hereto and made a part hereof is the report submitted by the Department of the Navy in connection with a similar bill of the 84th Congress, together with affidavits submitted in support of this claim.

**THE VICE PRESIDENT.** The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 1804) was ordered to a third reading, read the third time, and passed.

#### COMMUNITY SENTIMENT IN OREGON REGARDING KLAMATH RESERVATION PURCHASE BILL

Mr. NEUBERGER. Mr. President, on June 27, I addressed the Senate on the subject of the bill to amend the Klamath Indian Termination Act, S. 3051, which the Senate passed on May 8. My remarks at that time were directed at the continuing efforts of the National Lumber Manufacturers Association in attempting to kill this proposed legislation.

Yesterday I received a telegram from Lawrence E. Slater, mayor of the city of Klamath Falls, Oreg., and Charles H. Mack, judge of the Klamath County Court, in which these two outstanding community spokesmen express deep concern about the disastrous effect which Public Law 587, the Klamath Indian Termination Act, will have on Klamath Falls, Oreg., if amendatory legislation is not enacted at this session of the Congress.

Again, it is shown conclusively that the National Lumber Manufacturers Association does not speak for the vast majority of the people in the State of Oregon, who have such a vital stake in the outcome of the Klamath termination program.

Mr. President, I ask unanimous consent that the telegram to which I have just referred may be printed in the Record following my remarks.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

KLAMATH FALLS, OREG., June 30, 1958.  
Senator RICHARD L. NEUBERGER,  
Senate Office Building,  
Washington, D. C.:

Many statements have been made about Public Law 587. Quite often these remarks, statements, or resolutions, have been made by persons or organizations far removed from the actual area involved. Unfortunately, the so-called experts have not taken into consideration that the most vitally affected governmental agencies, viz, the city of Klamath Falls and the Klamath County court have had little opportunity to state their position in this serious matter. Whether chaos reigns due to the abortive piece of legislation, or a stability of local economy through sound liquidation of resources, in either event, the agencies of local government will be charged with the responsibility and the destinies of this immediate area. Volumes have been written or given as testimony regarding the economic and social disaster that will prevail if Public Law 587 is carried out as now in effect. Rape of the timber resources at fire sale prices and the minimum of financial return to the principals involved, viz, the Klamath Indians are but a few of the problems that confront the area. The time has come for a statement from the city of Klamath Falls and Klamath County through its authorized legal body, the Klamath County court. Although these agencies had no voice in drafting or enacting Public Law 587 though they will be responsible for administering the aftermath of its debris, it can be stated that: The city of Klamath Falls and the Klamath County court, acting jointly, feel that the bill introduced by the Honorable Senator NEUBERGER (S. 3051), must be passed this session of Congress. The premise that the resources in the Klamath forests be harvested on a sustained yield program is of paramount importance. Private or Federal purchase, on a sustained yield program is the only practical method of liquidating the inventory. If this session cannot agree on S. 3051, we urge repeal of Public Law 587.

LAWRENCE E. SLATER,  
Mayor, City of Klamath Falls.  
CHARLES H. MACK,  
Judge, Klamath County Court.

#### FORT MYERS AND LEE COUNTY, FLA.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1811, S. 3314.



The VICE PRESIDENT. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 3314) for the relief of the city of Fort Myers, Lee County, Fla., and the Intercounty Telephone & Telegraph Co., Fort Myers, Fla.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments on page 1, line 7, to strike out "\$139,395.32" and insert "\$137,997.64"; on page 2, line 10, after the word "such", to strike out "amount been invested in United States bonds from the date such amount was paid to such city to the date of payment under this act" and insert "an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such city to the date of payment under this act"; in line 19, after the word "of", to strike out "\$329,256.02" and insert "\$209,538.99"; on page 3, line 7, after the word "such", to strike out "amount been invested in United States bonds from the date such amount was paid to such county to the date of payment under this act" and insert "an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such county to the date of payment under this section"; at the beginning of line 16, to strike out:

(c) to the Inter-County Telephone & Telegraph Co., Fort Myers, Fla., the sum of \$38,757.43.

In line 19, after the name "Fort Myers", to insert "and"; in line 20, after the word "county", to strike out "and Tri-County Telephone & Telegraph Co."; and on page 4, line 2, after the word "act", to strike out "in excess of 10 percent thereof"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out any money in the Treasury not otherwise appropriated—

(a) to the city of Fort Myers, Fla., the sum of \$137,997.64

(1) plus the interest payable on bonds issued by such city (for the purpose hereinafter stated) as of the date the next interest payment becomes due (following the date of the enactment of this act) which is attributable to the period commencing with the date on which the last interest payment became due and ending on the date of payment by the United States of this claim, and

(2) reduced by the amount of interest which the sum of money heretofore paid by the United States on account of such claim (\$174,838.42) would have earned (as determined by the Secretary of the Treasury) had such an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such city to the date of payment under this act.

(b) to Lee County, Fla., the sum of \$209,538.99

(1) reduced by the amount of interest (as determined by the Secretary of the Treasury)

remaining to be paid on bonds issued by such county (for the purpose hereinafter stated) attributable to the period beginning on the date of payment of this claim by the United States and ending on the date such bonds are payable in full, and

(2) further reduced by the amount of interest which the sum of money heretofore paid by the United States on account of such claim (\$174,838.42) would have earned (as determined by the Secretary of the Treasury) had such an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such county to the date of payment under this section.

SEC. 2. The payment of such sums shall be in full satisfaction of the claims of the city of Fort Myers, and Lee County, against the United States for compensation for expenses and obligations incurred in connection with the construction of the Buckingham Weapons Center project, Fort Myers, Fla., which project was abandoned by the United States Air Force subsequent to the time such expenditures and obligations were incurred: *Provided*, That no part of the amounts appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. HOLLAND. Mr. President, I asked that this bill be brought up by motion rather than left on the Consent Calendar, not because there is any controversy about it whatsoever that is known to me, but because the amounts allowed are of such size that I believe it ought to be handled in this way.

This bill will repay to the city of Fort Myers and Lee County various sums advanced by them for the United States Government upon the request of the Air Force in acquiring a site for an authorized Air Force installation known as Buckingham Weapons Center project, Fort Myers, Fla. Unfortunately the Air Force abandoned its plans but admits its obligation, and there is no controversy known to me in connection with the matter. For Myers will receive \$137,997.64 and Lee County, \$209,538.99, with certain interest considerations appended in each case.

The Senate Judiciary Committee has amended the bill to conform to the recommendations of the Air Force and the Treasury Department, and the amendments have been agreed to by officials of the city of Fort Myers and Lee County. In the case of Fort Myers, the Air Force in its report disallowed claimed expenditures in the amount of \$1,397.68, and in the case of Lee County, it disallowed claimed expenditures in the amount of \$57,113.71. In each instance, local officials felt that they could make a good case for the disallowed items but because of the immediate need for the funds involved in the overall claim, they have agreed to the Air Force recommendations in order to expedite passage of the bill.

The Senate Judiciary Committee also amended the bill by striking language permitting payment of attorney's fees and this amendment has been agreed to

by attorneys for both the city and the county, as well as the other local officials.

The bill was further amended to eliminate the Inter-County Telephone & Telegraph Co., of Fort Myers, Fla., without prejudice, and this claim has been separately presented in S. 3924, introduced by the two Florida Senators on May 29, 1958. The reason for this action was that there will be considerable controversy concerning this particular claim and the claimants agreed to this action in order to permit early payment to the city and the county through the enactment of a noncontroversial bill.

The only difference between the bill as reported by the Senate committee and the companion bill as reported by the House Judiciary Committee, and now on the House Calendar, will be found on page 3, lines 5 and 6. The Air Force stated in its report that in addition to the \$174,838.42 refunded to the county that a further refund of \$62,603.17 has also been made. This additional payment was reflected in the amount to be paid to the county, but it was not reflected in the section of the bill dealing with interest payments. This technical amendment is necessary to make the bill completely correct, and it will make the Senate-reported bill exactly like the House-reported bill.

I shall offer the amendment in a moment.

Mr. President, the Senate Judiciary Committee report gives a full and complete explanation of the bill, and I ask unanimous consent to have excerpts from Senate Report No. 1776 printed in the RECORD at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

#### STATEMENT

The Department of the Air Force has no objection to the proposed legislation, as amended.

The Treasury Department has advised the committee that it has no information on which to base a recommendation on the merits of the claim but that it anticipates no administrative difficulty in carrying out the Treasury Department's function under the bill, if the bill is amended as proposed by the Treasury Department, which has been done.

The Department of the Air Force has informed the committee in a letter dated May 22, 1958, which is printed in full below, that in 1954 a requirement existed for the establishment of a second weapons employment center to afford training to the Department of the Air Force personnel in air-to-air gunnery. The act of July 15, 1955 (Public Law 161 of the 84th Cong.), authorized the Secretary of the Air Force to establish and develop the Buckingham Weapons Center, Fort Myers, Fla., for this purpose. Prior to the authorization, Lee County, Fla., had agreed to donate approximately 6,000 acres to establish the base.

Upon the enactment of Public Law 161 of the 84th Congress, the Corps of Engineers acting as agents for the Department of the Air Force, was requested to acquire by donation approximately 6,591.44 acres of land, drainage easements over 15.68 acres, and clearance easements over 440.50 acres. The cost of this acquisition was then estimated to be \$600,000, of which Lee County agreed to provide \$300,000 and Fort Myers \$300,000. In September 1955, the Secretary

of the Air Force announced that the Air Force proposed to proceed as authorized by the Congress and initiate construction of the Buckingham Weapons Center as soon as the land was donated to the United States. Since it was proposed to begin this construction in November 1955 to provide a beneficial occupancy date by fiscal year 1957, the Secretary advised the county that title to the property was required by November 15, 1955. Because of the urgent need to acquire title to the land in time to meet the beneficial occupancy date, it was agreed that the city and the county would pay to the United States funds to cover the cost of the land acquisition and the Government would acquire the property. On December 15, 1955, the Department of the Air Force obtained possession of the land which consisted of a total of 7,048.24 acres.

In accordance with the agreement reached by the Government with Lee County and Fort Myers, the county and city deposited \$550,000 in cash and provided the Government with a fidelity bond in the amount of \$600,000 to insure payment of any deficiency judgments which might be rendered against the United States in connection with acquisition, by condemnation, of the land required for the Buckingham Weapons Center. In order to provide the money within the time limitation imposed by the Government which was prior to the sale of bonds, the city and county arranged certain loans. Both the city and county, however, had secured a commitment from the Government that the base would be constructed if the local people supported the county's and city's plan for raising funds.

It is the usual practice of the Department of the Air Force, in the selection of sites for Air Force installations, to make a limited number of foundation borings to determine the suitability of the land for construction. These preliminary tests were not made at the Buckingham site as the Air Force believed that it had sufficient information on record to indicate that the foundation features were such that construction could be accomplished using normal foundation construction practices. On this basis it was determined to proceed with the Buckingham project.

Subsequently arrangements were made for detailed borings at each of the proposed building sites at Buckingham, and laboratory tests on samples of the foundation material. It was then found that subsurface material was considerably poorer from a foundation standpoint than the earlier information had indicated. These detailed tests indicated that excessive settlement might be expected, thus necessitating changing elevation or shifting of the runway facilities and the need for 50- to 75-foot long pilings for all major buildings to prevent structural damage. As the result of these findings in February 1956 land acquisition was suspended. Still further studies of soil conditions during the ensuing months confirmed that the Buckingham site would be unsuitable for the planned construction, and in April 1956 the appropriate committees of the Congress were advised of the necessity to find an alternate site. During the remainder of the calendar year 1956, efforts were made to find a suitable replacement site. However, by the end of the year, due to construction difficulties at the initial site, with the resultant delay in the beneficial occupancy date for the new installation, the Air Force determined to make more intensive use of existing facilities to satisfy the requirement for a weapons employment center, and appropriate local officials were advised in February 1957 that the Air Force no longer planned to build a base at this location.

The Air Force has advised the committee that immediately following the decision to

withdraw from the Buckingham site the following actions were taken by the Air Force:

(1) Efforts were made to revest title where the United States had not completed acquisition.

(2) The city and county were requested to cancel the fidelity bond.

(3) All funds which had been furnished to the Government by the county and city and which were on hand were divided equally between the county and city.

(4) All petitions on condemnation on which acceptance terms could be reached were dismissed.

(5) Payments were made for rentals and damages, where substantiated, to all landowners whose property was in condemnation and was being returned to them.

(6) The county was advised to retain such property as had been acquired by them for the United States but which had not yet been conveyed to the Government.

The proposed legislation, as introduced in the Senate, would authorize and direct the Secretary of the Treasury to pay—

(1) To the city of Fort Myers, Fla., the sum of \$139,395.32, plus the interest payable on bonds issued by the city as of the date the next interest payment becomes due, following the date of enactment of the proposed legislation, which is attributable to the period commencing with the date on which the last interest became due and ending on the date of payment by the United States on this claim; reduced by the amount of interest which the sum of money heretofore paid by the United States on account of such claim (\$174,838.41) would have earned (as determined by the Secretary of the Treasury) if such amount had been invested in United States bonds from the date of payment under this act.

(2) To Lee County, Fla., the sum of \$329,256.02, reduced by the amount of interest (as determined by the Secretary of the Treasury) remaining to be paid on bonds issued by the county attributable to the period beginning on the date of payment of this claim by the United States and ending on the date such bonds are payable in full; and further reduced by the amount of interest which the sum of money heretofore paid by the United States on account of such claim (\$174,838.42) would have earned (as determined by the Secretary of the Treasury) if such amount had been invested in United States bonds from the date such amount was paid to the county to the date of payment under this proposed legislation.

(3) To the Inter-County Telephone & Telegraph Co., Fort Myers, Fla., the sum of \$38,757.43.

The Department of the Air Force has advised the committee that the claim of the city of Fort Myers is based on expenditures of \$314,233.73 of which \$312,836.05 was determined by the Air Force to be valid. Since a refund of \$174,838.41 has been made to the city, the Air Force recommends that the claim of \$139,395.32 be reduced to \$137,997.64.

The proposed legislation has been amended in this respect as recommended by the Department of the Air Force.

The Department of the Air Force has advised the committee that the claim of Lee County is based on expenditures of \$504,094.44, and refunds to the county by the United States of \$174,838.42, and that the Air Force has determined that of the amount claimed as expenditures, \$446,980.58 can be considered valid; and that further the total amount credited to the United States should be \$287,441.59, since, in addition to the refund of \$174,838.42, a further refund of \$62,603.17 has been made to the county. Accordingly the Department recommends that the figure of \$329,256.02 be revised to \$209,538.99.

The proposed legislation has been amended in this respect as recommended by the Department of the Air Force.

The Department of the Air Force has further advised the committee that with respect to the claim of the Inter-County Telephone & Telegraph Co., in February 1957 the Air Force denied the claim for \$38,757.43 for construction and engineering expenses incurred in connection with the proposed Buckingham Weapons Center which was submitted under contract AF 09(104)-237, dated July 14, 1950. This contract provides that effective July 1, 1950, until June 30, 1951, and thereafter until terminated by either party on 30 days' written notice, the Inter-County Telephone & Telegraph Co. will furnish commercial facilities and services normally offered to a customer and such special facilities and services as may from time to time be required by Government subject to the availability of these facilities and services. On September 6, 1955, the contract having been in effect, the Government dispatched two written orders for plans and cost estimates for construction of certain facilities at the base to be built at Fort Myers. One order requested plans and cost estimates for the installation of a 400-line automatic system. The other order requested plans and estimates for certain outside facilities. Both orders were for planning purposes. In June of 1957, the Armed Services Board of Contract Appeals reviewed this claim on an appeal by the Inter-County Telephone & Telegraph Co. It was the statement of the Government trial attorney that the Government did not order, request, direct, or otherwise authorize the telephone and telegraph company to begin any construction under the contract on any facilities related to the proposed Air Force base. It was further stated by the Government trial attorney that the major portion of the telephone company's costs was incurred in anticipation of a future contract, is outside the scope of the existing contract, is unauthorized and not reimbursable pursuant to the contract. The Government trial attorney did, however, find that \$1,800 of the amount claimed could be allowed. The telephone company has suspended action on its appeal pending the outcome of the proposed legislation.

The sponsors of the proposed legislation, on May 29, 1958, introduced in the Senate a separate bill, S. 3924, for the relief of the Inter-County Telephone & Telegraph Co., of Fort Myers, Fla. The committee believes that the claim of the Inter-County Telephone & Telegraph Co. should properly be considered in its own right in a consideration of S. 3924, and accordingly without prejudicing the merits of the claim of the Inter-County Telephone & Telegraph Co., the committee has amended S. 3314, the subject of this report, to eliminate from S. 3314, any payment to the Inter-County Telephone & Telegraph Co.

The Department of the Air Force has commented that, with respect to the provisions in the proposed legislation relating to interest, it is assumed by the Department that these are designed to compensate the city and county for interest charges incurred by them, less the interest value of the various refunds made by the United States. The Office of the Secretary of the Treasury has recommended that the language of the bill in regard to interest be amended to provide that the measure of interest not be "had such amount been invested in United States bonds from the date such amount was paid to such city to the date of payment under this act" but that it be "had such an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such



amount was paid to such city to the date of payment under this act."

Similarly, in regard to the payment of interest to Lee County, Fla., the Office of the Secretary of the Treasury recommends that the measure of interest not be "had such amount been invested in United States bonds from the date such amount was paid to such county to the date of payment under this act" but that it be "had such an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such county to the date of payment under this section."

The committee has amended the bill accordingly in this respect as recommended by the Secretary of the Treasury.

The Department of the Air Force further advised the committee that as of May 1958, the status of the land at the location concerned is as follows:

1. The Government has been successful in revesting title in the former owners to 6,279.42 acres of the 7,048.24 acres acquired for this project.

2. Efforts are continuing to revest title in the former owners to the remaining 761.07 acres (exclusive of the 7.75 acres which were acquired by direct purchase), but little success is anticipated by the Department.

3. The value of the land to which title has not been revested (exclusive of the \$5,630 for the 7.75 acres mentioned in (2) above) is \$124,510.

4. It is proposed to complete acquisition of the unsettled 761.07 acres, and determine whether any need exists for this land within the Department of Defense. If none exists, the Air Force plans to secure approval of the Assistant Secretary of Defense (Properties and Installations) and the House and Senate Armed Services Committees for disposal.

The committee believes that the proposed legislation, as amended as proposed by the Department of the Air Force in regard to the amounts to be paid, and as amended as recommended by the Secretary of the Treasury in regard to language, is meritorious and recommends it favorably.

Mr. HOLLAND. Mr. President, I ask unanimous consent that when the bill is reprinted as passed by the Senate the name of the junior Senator from Florida [Mr. SMATHERS] be added as a cosponsor. My junior colleague and I have worked closely on this matter from the very beginning, but his name was inadvertently omitted when the bill was introduced.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, with reference to the amendment I intend to offer, I wish to say that a statement concerning it was prepared by the staff of the Senate Judiciary Committee; and the contents thereof were approved by the staff of the House committee, by the Air Force and by local authorities. Therefore, I want it to be in the RECORD.

The memorandum states in part:

In the bill as reported by the committee, on page 3, line 5 and 6, the parenthetical figure (\$174,838.42) should be (\$237,441.59) to reflect the actual amount which has been refunded to the county by the Government, and it is recommended that the bill be amended to reflect this change.

This is a technical, perfecting amendment which has been reviewed by the Air Force, by the staff of the Senate Committee on the Judiciary and by the staff of the House Committee on the Judiciary.

The amendment has been approved by all who have reviewed it, as well as by the local authorities in Florida.

Mr. President, the amendment, when adopted, will make the bill identical with the bill reported favorably by the House Committee on the Judiciary, which is now on the House Calendar.

Mr. President, I offer the amendment which I send to the desk.

Mr. DIRKSEN. Mr. President, the bill had thorough consideration by the Senate Committee on the Judiciary. The bill was considered at two different sessions of the committee. The inevitable problem was to make the city of Fort Myers, Fla., whole. Acting in good faith, the city had issued bonds to cooperate with the Air Force in establishing a site, which later was not used in its entirety. The bill has everything to commend it and represents a perfectly justifiable claim.

Mr. HOLLAND. Mr. President, I thank my distinguished friend, the acting minority leader. That is exactly the situation as I understand it. This is one of those unfortunate matters which occurs in the course of a great defense program. The plans of the Air Force, after they had submitted a request to the Congress which was enacted into law in an authorization bill and also in an appropriation bill, were changed because of the situation which came about as a result of a change in strategic plans, with which I am not fully familiar.

At any rate, after the Air Force asked the participation of local officials of Fort Myers and Lee County in acquiring the site, which was accomplished through the issuance of bonds, the Air Force decided not to go through with the project. The Air Force fully approves the refunding of the amounts included in the bill.

Mr. President, I ask that the amendments be agreed to and that the bill be passed.

The PRESIDING OFFICER. Without objection, the committee amendments will be considered en bloc.

The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. HOLLAND. Mr. President, I move that the amendment I have offered be agreed to.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, in lines 5 and 6, it is proposed to strike out "\$174,838.42" and to insert in lieu thereof "\$237,441.59."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the city of Fort Myers, Fla., and Lee County, Fla."

Mr. HOLLAND. Mr. President, I thank the Presiding Officer and I thank the leadership on both sides of the aisle. As I previously stated, this is a meritorious bill, but I did not wish to have it passed on the consent calendar for the reasons already stated.

Mr. MANSFIELD. Mr. President, the Senator from Florida is to be commended for the sagacity he has shown and for his consideration as well.

Mr. President—

The PRESIDING OFFICER. The Senator from Montana.

#### CONVEYANCE OF CERTAIN LANDS, YORK COUNTY, VA.

Mr. MANSFIELD. Mr. President, as a courtesy to the Senator from Virginia, I should like to ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1771, S. 2474, which I understand can be disposed of very shortly.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2474) directing the Secretary of the Navy to convey certain land situated in the State of Virginia to the Board of Supervisors of York County, Va.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 2474) directing the Secretary of the Navy to convey certain land situated in the State of Virginia to the Board of Supervisors of York County, Va., which had been reported from the Committee on Armed Services, with amendments, on page 2, after line 9, to insert a new section, as follows:

SEC. 3. The cost of any surveys and appraisals necessary as an incident to the conveyance authorized herein shall be borne by the Board of Supervisors of York County, Va.

After line 13, to insert a new section, as follows:

SEC. 4. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

After line 16, to insert a new section, as follows:

SEC. 5. The conveyance of the property authorized by this act shall be upon condition that such property shall be used for park and recreational purposes, and that if the Board of Supervisors of York County, Va., shall cease to use the property so conveyed for the purposes intended, then title thereto shall immediately revert to the United States.

After line 22, to insert a new section, as follows:

SEC. 6. The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right to reenter upon the property and use the same or any part thereof, including

any and all improvements made thereon by the Board of Supervisors of York County, Va., for the duration of such state of war or of such emergency. Upon the termination of such state of war or such emergency plus 6 months, such property shall revert to the Board of Supervisors of York County, Va., together with all appurtenances and utilities belonging or appertaining thereto.

And on page 3, after line 14, to insert a new section, as follows:

SEC. 7. In executing the deed of conveyance authorized by this act, the Secretary of the Navy or his designee shall include specific provisions covering the reservations and conditions contained in sections 3, 4, 5, and 6 of this act.

So as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Navy is authorized and directed to convey, by quitclaim deed, to the Board of Supervisors of York County, Va., for park and recreational purposes, all right, title, and interest of the United States in and to that tract of land situated in York County, Va., described as parcel No. 202 on the property map, United States Naval Construction Training Center, York and James City Counties, Va., and consisting of 300 acres more or less.

SEC. 2. The conveyance authorized by this act shall be conditional upon the Board of Supervisors of York County, Va., paying to the Secretary of the Navy, as consideration for the trace of land conveyed under the provisions of this act, an amount equal to 50 percent of its fair market value as determined by the Secretary of the Navy after appraisal of such tract.

SEC. 3. The cost of any surveys and appraisals necessary as an incident to the conveyance authorized herein shall be borne by the Board of Supervisors of York County, Va.

SEC. 4. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

SEC. 5. The conveyance of the property authorized by this act shall be upon condition that such property shall be used for park and recreational purposes, and that if the Board of Supervisors of York County, Va., shall cease to use the property so conveyed for the purposes intended, then title thereto shall immediately revert to the United States.

SEC. 6. The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the Board of Supervisors of York County, Va., for the duration of such state of war or of such emergency. Upon the termination of such state of war or such emergency plus 6 months, such property shall revert to the Board of Supervisors of York County, Va., together with all appurtenances and utilities belonging or appertaining thereto.

SEC. 7. In executing the deed of conveyance authorized by this act, the Secretary of the Navy or his designee shall include specific provisions covering the reservations and conditions contained in sections 3, 4, 5, and 6 of this act.

MR. ROBERTSON. Mr. President, on behalf of the senior Senator from Virginia [Mr. BYRD] and myself, joint sponsors of S. 2474, I desire to thank the acting majority leader for his kindness in

bringing up the bill. We did not anticipate any difficulty in having the bill passed on the Consent Calendar, but because of the wonderful celebration last year of the 350th anniversary of the first permanent settlement at Jamestown, there has been a great influx of visitors to the Jamestown-Williamsburg-Yorktown area, and it becomes important to expedite action on a proposal to allow the Board of Supervisors of York County to buy 300 acres of the 9,849-acre tract used partially by the Navy, sometimes as a training area. The 300 acres are not needed by the Navy.

The board of supervisors will pay more than anybody else would pay under the conditions on which the land will be transferred, which include provisions that the board must pay for all the surveys and the board can only use the land for recreational and park purposes. If the land is used for any other purpose it will revert to the Government. Furthermore, all mineral rights are reserved, and in the event of war or national emergency declared by the President, the Navy, if it wanted to, could reoccupy the 300 acres in any way it pleased.

In other words, Mr. President, the Government is to get from a county in Virginia some money for property which the Government does not use, does not need, and probably never will need, but if the Government ever should need the property again it can get it without expense whatever.

Under those circumstances, Mr. President, we assume, of course, there will be no objection to the passage of the bill.

THE PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MR. ROBERTSON. I again thank the acting majority leader.

#### NEED FOR A REALISTIC FARM PROGRAM

MR. PROXMIRE. Mr. President, is the Senate still in the morning hour?

THE PRESIDING OFFICER. The Senate is in the morning hour.

MR. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed for 6 minutes.

THE PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and the Senator from Wisconsin may proceed.

MR. PROXMIRE. Mr. President, this morning I was deeply disturbed by a report in the New York Times which started off with the following headline: "United States Expects Peak in Farm Subsidies—Cost of Program Now Put at 6 Billion, Up 1.4 Billion From Budget Figures."

Mr. President, this waste of the taxpayers' money is simply insane. How many times does the Secretary of Agriculture have to be hit on the head with the baseball bat of huge costs to the taxpayers and pitifully low farm income to recognize that the only way to increase farm income is to do what everyone else

in the economy who is a nonfarmer does—limit production to what can be sold at a fair price?

The truth is, Mr. President, that the farm programs which worked relatively well for 20 years—with competent and and conscientious management—simply do not fit the realities of the present time.

Here is one single statistic which illustrates how outworn the farm programs have become:

In the first 20 years of operations by the Federal Government to support the prices of farm commodities, from 1933 through 1955, the total losses to the Government amounted to \$1.2 billion.

In fiscal year 1957 alone, in one single 12-month program, the total losses to the Government on price-support operations totaled more than \$1.2 billion.

Our farm programs, Mr. President, are not adequate for the realities of the present time. Their operations, under the management of the present Secretary of Agriculture, have steadily become more and more costly.

The present Secretary of Agriculture has failed on a fantastic scale. His failure has reached shocking proportions on three counts:

Farmers' prices and farm income have gone down disastrously. The depression in agriculture, which has been encouraged and prompted by the policies of the Secretary of Agriculture, has been very instrumental in causing the present unemployment emergency and business recession, which has cost so tragically much to our Nation in lost production, in wasted strength, and in human misery.

Food prices have gone up; the cost of living has been setting an all-time record high month after month for nearly two full years. Consumers have suffered.

The taxpayer has been battered for a heavier and heavier burden year after year under the present farm programs, until in the last year alone he has been compelled to pay for losses greater than in all the 20 years farm prices were protected—with far greater success from the standpoint of the farmers—by preceding administrations.

Mr. President, the present administration's farm policies are a colossal and stupendous three-stage "bust."

The United States cannot long afford to tolerate the blundering and wasteful conduct of our agricultural programs which has been characteristic of the past 5½ years. We have to come to our senses, and learn the lesson once and for all that the administration's farm theories do not work, that the administration's farm planners are failing to perform on their promises and their obligations, and that a realistic farm policy is imperative.

We must have a farm policy, Mr. President, which will give the same realistic recognition to the law of supply and demand in agriculture that is applied in every other important industry in our economy.

Farmers must be given an opportunity to adjust their output realistically in accordance with demand, just as every other industry in our economy does.



There is no other way to assure farm people of a reasonable return on their labor and capital. According to Department of Agriculture studies, dairy farmers in Wisconsin are getting only about 50 cents per hour for their labor. These dairy farmers, Mr. President, are the best and most efficient dairy producers in the world. But they receive returns that are a disgrace to our economy.

There is no other way either to remove the crushing burden of the present wasteful and senseless farm plans from the backs of the American taxpayer.

The first bill I introduced in the United States Senate was a comprehensive farm bill which would meet the failures of the present farm program head on. It would give the farmers of this Nation an opportunity—if they chose in a referendum to exercise it—to tailor their sales to what the Nation wants and needs, in order to protect their returns at a moderate and fair level.

It would provide for a school milk program that would provide for every school child in the United States—instead of the fraction of them who are able to participate today.

It would provide for a food-stamp plan that would make sensible use of our abundant food for feeding our low-income families—or old people on old-age assistance and social security, our needy blind and disabled, our dependent children, our dependent veterans, and others who do not now receive enough to eat to maintain good health.

And, Mr. President, it would save the taxpayers money.

It would permit all of the useful and necessary programs that are being carried on by the Department of Agriculture today to be maintained without change; it would permit us to establish a food-stamp program; it would permit us to provide equal treatment in respect to school milk for all schoolchildren in America, and it would enable our farmers to earn incomes that would reasonably approach parity with others in our economy.

It would do all this, Mr. President, and it would do it at a cost to the taxpayers of more than \$800 million less than the present administration programs cost last year.

It is high time, Mr. President, that we take a long, hard, and sensible look at the present farm policies. It is high time that we quit believing in and depending on the assurances and the claims of our Government farm planners as to what their plans will accomplish.

The truth is that our family style farms are being destroyed economically. The present depression in agriculture is laying the groundwork for big-business domination over our farm people which will destroy their economic independence forever, if it is not reversed.

And this terrible injustice to our farm people—this dangerous economic revolution right at the roots of our American way of life—is occurring with blind indifference to the enormous costs to our taxpayers that have been characteristic of the past 5½ years of farm program administration.

Mr. President, I ask unanimous consent that the article from the front page of the New York Times of today be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES EXPECTS PEAK IN FARM SUBSIDIES—COST OF PROGRAM NOW PUT AT 6 BILLION, UP 1.4 BILLION FROM BUDGET FIGURES  
(By Edwin L. Dale, Jr.)

WASHINGTON, July 1—Record farm subsidy payments—not defense or antirecession spending—are expected to push the Federal Government's expenditures to a peacetime peak in the 1959 fiscal year, which began today.

Government experts now estimate spending at about \$78 billion, perhaps a little less. The budget deficit will depend on the course of the recession and with its impact on tax receipts.

If recovery is brisk, the deficit may be in the comparatively modest range of \$6 billion to \$8 billion instead of the \$10 billion to \$12 billion that has been foreseen.

The irony is that the weather, not sputniks or unemployment, has been the chief cause of the upward revision in spending estimates.

The weather has produced good crops and hence the prospect of larger price support outlays by the Government.

Budget experts forecast today that the farm program would cost about \$6 billion in the fiscal year, against \$4,800,000,000 in the budget submitted in January.

This would be about \$1 billion over the record set in the fiscal year that ended yesterday, when farm spending reached about \$5 billion.

The previous peaks of peacetime spending was \$74,300,000,000 in the fiscal year ended June 30, 1953.

The farm increase is easily the biggest single rise over the January estimates and will probably amount to more than all the antirecession measures together.

The rise is coming about despite constant, and generally successful, efforts of the administration to reduce price support levels on the basic crops. Farmers continue to grow record crops despite—or perhaps because of—the lower prices.

One fiscal official put it this way today: "I never dreamed I would see the day when a Republican administration would be spending \$6 billion on the farmers—and getting blamed at the same time for reducing farm prices."

#### SOIL BANK A FACTOR

Besides big crops, an enlarged Soil Bank and a new export subsidy program will contribute to the increase in farm spending over both the fiscal year just completed and the January estimates.

Elsewhere, there will be increases in defense spending (perhaps \$500 million to a total of \$40,800,000,000), highways, Government workers' pay, and several minor programs.

All the increases would add about \$4 billion to the original estimated budget total of \$73,900,000,000.

Few experts believe spending will reach \$80 billion—the upper figure mentioned by the Secretary of the Treasury, Robert B. Anderson, and the Director of the Budget, Maurice H. Stans.

However, experts caution that projections at this stage involve a great amount of guesswork and that almost any figure is possible.

#### WARNING TO CONGRESS

Still, it is understood that a major motive of Mr. Anderson and Mr. Stans has been to ward off still further spending schemes

pending in Congress. Thus, there has been a natural tendency to use the upper range of available estimates.

As for the deficit, there is a fair degree of confidence among the experts in various agencies that it can be handled without necessarily creating a serious inflationary problem.

Although there is concern about this problem, the potential inflationary effect can, at least in large part, be offset by appropriate Federal Reserve policy. This is a view taken in both the administration and the Federal Reserve.

Besides, it is generally felt that a deficit of the expected size would not be seriously inflationary at a time when the economy was operating well below its potential output.

The real issue, officials believe, will be whether appropriate anti-inflation policies are adopted once recovery gets well under way.

Several leading officials are much less worried about the deficit than about the new higher "plateau" of spending that the fiscal year beginning today is likely to establish.

Their reason is that such a level of spending—in the range of \$78 billion and upward—will foreclose significant tax reduction for a long time.

Tax reduction is still viewed within the administration as essential to achieving more rapid economic growth. Hence the glum view of the spending prospects, even though the deficit may prove fully manageable.

Mr. SPARKMAN. Mr. President, somewhat along the line of the remarks of the distinguished Senator from Wisconsin, I invite attention to the fact that under the present agricultural program the cotton farmer is suffering badly. Within a very short time we shall have before us an agricultural bill which has been reported from the Senate Committee on Agriculture and Forestry. I earnestly hope that we may be able to devise a program which will help to relieve the cotton farmer from his present distressful condition.

Recently there appeared an article in the Wall Street Journal by Cal Brumley, under the heading "Cotton's Decline, Long Foreseen, Still Pains Many Dixie Farmers." I ask unanimous consent that this article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of June 18, 1958]

COTTON'S DECLINE, LONG FORESEEN, STILL PAINS MANY DIXIE FARMERS—SOME QUIT, WIND UP ON CITY RELIEF ROLLS; OTHERS FIND COSTS PINCH PROFITS HARDER

(By Cal Brumley)

"The old king was flogged by a chicken."

Talking is Tom Murray, executive vice president of the Georgia Cotton Ginners Association. His pithy phrase pretty well sums up the decline of King Cotton in Georgia; last year, the State's farmers made some \$130 million selling brollies, more than twice their cash return on cotton.

The tale's similar in the Deep South's other major cotton-growing States. Cotton still is the leading cash crop in Mississippi, Alabama, and Louisiana, but in the latter two States other farm products are poised to shove cotton into the background.

Cotton's comedown in the South is hardly startling news; its economic fate has long been foreshadowed by the rise of the bigger-volume, lower-cost producers in Texas and other southwestern States. Indeed, the demise has been eagerly awaited by many in

Dixie anxious to see an end to the one-crop economy they feel has shackled the area's growth.

#### UNFORESEEN PROBLEMS

But now that cotton's grip is weakening, many farmers and townfolk alike are experiencing pangs of remorse, for the trend is bringing unforeseen economic problems for many areas historically dependent on cotton growing and processing.

Focus, for example, on Talladega County, Ala., with 130,000 acres of cropland on the rolling, red-tinted plains and valleys in the southern Appalachian foothills. Here, a leisurely 90-minute drive southeast of Birmingham, the amount of land devoted to cotton has shrunk to only 13,000 acres from 24,000 as recently as 1952.

"I'm planting my 20-acre allotment this year," says grizzled George B. Hill, who lives on an 800-acre farm started by his great grandfather a century and a half ago. "But," he adds, "I still mess with cotton only so I can give my three tenants something to do." He says he has been forced by declining cotton income to let four tenant families go because he no longer can afford to pay their wages.

Many of the more unfortunate tenant farmers have left the land only to queue up for relief handouts in towns hereabouts.

#### JUST THE OPPOSITE

"My guess," says O. V. Bill, county agricultural agent, "is that 500 of our 2,414 farmers moved into town and onto relief this past winter." Adds Mr. Bill: "It used to be that when a man couldn't make a living in town he moved to the country, but now it's just the opposite."

Of the 60,000 people in the county, as many as 14,000 were receiving Government relief at one point this year, according to Presley Cleveland, Talladega supervisor for the Federal surplus commodity distribution program. "Most of them are families of displaced farmers."

People in Talladega County line up weekly at aid stations in Talladega, Sylacauga and Childersburg, where the Government doles out supplies of corn meal, cheese, rice, flour, and dried milk.

Even farmers who have escaped relief rolls are having difficult times, remarks grayhaired Warren Davis, one of the few Negroes in the county who owns his own farm. "I haven't got a dime of savings left. The last 2 years took all my savings of \$2,000 to pay off the debt my cotton wouldn't take care of."

Creditors in the Talladega area are fretting over unpaid debts of cotton farmers.

Howard Parker, president of Sylacauga Fertilizer Co., for instance, reports that cotton farmers have been going deeper into the red since 1953. In that year, notes Mr. Parker, he extended \$100,000 of credit to cotton growers for purchases of seed, fertilizer, other production expenses and even cash for groceries. By last year, he says, his credits had grown to \$231,000, although the number of cotton farmers decreased steadily.

#### SQUEEZE ON MERCHANTS

Merchants and other businessmen in farm towns hereabouts are feeling the pinch.

"About all I have on my books now are debts farmers can't pay," says C. E. Nivens, Allis-Chalmers farm machinery dealer in Sylacauga. Mr. Nivens says his gross volume in 1957 dropped to less than \$200,000 from an average of over \$400,000 in the preceding 5 years.

#### CANCELLATION OF CERTAIN BONDS POSTED PURSUANT TO THE IMMIGRATION ACT OF 1924, AS AMENDED

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the present

consideration of Calendar No. 1654, House bill 8439.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 8439) to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 2, after line 11, to strike out:

SEC. 3. The Secretary of the Treasury is hereby authorized and directed to refund out of funds not otherwise appropriated any sum or sums of moneys received by the Treasurer of the United States pursuant to the forfeiture of any bond posted in the case of a refugee as defined in sections 1 and 2 of this act whose status was adjusted as aforesaid on application by the person, persons, organization, or corporation, entitled to the refund, and if a person who would have been entitled to a refund is deceased the application shall be made in behalf of his estate. The payments made pursuant to this section shall be made by the Secretary of the Treasury directly to such person, or persons, or organization, or corporation entitled to the refund.

And, in lieu thereof, to insert:

SEC. 3. The Attorney General is hereby authorized and directed to refund any sum or sums of moneys received by the Treasury of the United States pursuant to the forfeiture of any bond posted in the case of a refugee as defined in sections 1 and 2 of this act, whose status has been adjusted, on application by the person, persons, organization, or corporation entitled to the refund, and if a person who would have been entitled to the refund is deceased, the application shall be made by, and payments made to, his estate. As used in this section, the term "entitled to the refund" refers to the person or persons, or organization, or corporation, who or which have paid the moneys upon the forfeiture of the bonds. There are hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, such amounts as may be necessary to effect the refunds authorized by this section.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. MANSFIELD. Mr. President, the proposed legislation provides that the Attorney General may cancel immigration bonds on behalf of refugees who entered the United States as immigrants after May 6, 1945, and prior to July 1, 1953, and had their immigration status adjusted to that of aliens admitted for permanent residence. The proposed legislation also provides that where an individual refugee would qualify under the terms of the bill, but where the proceeds of the bond have been paid into the Treasury, the person, organization, or corporation entitled to the refund shall be paid the amount of the bond.

The committee has amended the proposed legislation as it passed the House, to place the responsibility for the administration of the refund program in the Attorney General, rather than in the Treasury Department. Both the Depart-

ment of Justice and the Treasury Department are in accord with this amendment.

The proposed legislation concerns only a limited class of refugees who originally entered the United States as nonimmigrants for temporary periods of stay and subsequently had their immigration status changed.

Mr. President, on behalf of the Senator from Nebraska [Mr. Hruska] I offer an amendment to the committee amendment. The committee amendment and an amendment I shall later offer to the text are satisfactory to all concerned.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 8, in the committee amendment, following the word "estate" it is proposed to strike out the period and insert the following:

*Provided, however,* That such application is made not later than 5 years after the date of enactment of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana, on behalf of the Senator from Nebraska [Mr. Hruska], to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. MANSFIELD. Mr. President, also on behalf of the Senator from Nebraska [Mr. Hruska], I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, at the end of line 2, it is proposed to insert:

*Provided, however,* That such application is made not later than 5 years after the date of enactment of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana on behalf of the Senator from Nebraska [Mr. Hruska].

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, the purpose of these amendments is to provide a cutoff date for filing claims under this act so that such claims may be paid within a reasonable time by the United States Government. Good business practice requires such procedure.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill. The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

#### CLAUDIO GUILLEN

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 803) for the relief of Claudio Guillen, which was, in line 4, strike out "31" and insert "315."



Mr. MANSFIELD. Mr. President, on March 6, 1958, the Senate passed S. 803, to enable the beneficiary to file a petition for naturalization notwithstanding the fact that he filed a claim of exemption from training or service in our Armed Forces during World War II.

When this bill was referred to the House of Representatives, there had been an error in printing the language of the bill, and on June 17, 1958, the House of Representatives passed S. 803 with an amendment to correct this printing error.

I move that the Senate concur in the House amendment to S. 803.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

#### ARMAS EDVIN JANSSON-VIIK

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2168) for the relief of Armas Edvin Jansson-Vilk, which was, in line 7, after "act" insert: "Provided, That nothing in this act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act."

Mr. MANSFIELD. Mr. President, on February 6, 1958, the Senate passed S. 2168, to grant the status of permanent residence in the United States to the beneficiary. On June 17, 1958, the House of Representatives passed S. 2168, with an amendment to provide that the beneficiary, who filed an exemption from training or service in our Armed Forces, may never be naturalized a citizen of the United States.

Although the language of the bill as it passed the Senate appeared to be sufficient, there is no objection to the addition of the proviso to the bill.

I move that the Senate concur in the House amendment to S. 2168.

The PRESIDING OFFICER (Mr. MORSE in the chair). The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

#### MANLEY FRANCIS BURTON

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2251) for the relief of Manley Francis Burton, which was, in line 7, after "States" insert: "Provided, That the natural parents of Manley Francis Burton shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

Mr. MANSFIELD. Mr. President, on February 6, 1958, the Senate passed S. 2251, to grant to the minor child adopted by United States citizens the status of a nonquota immigrant. On June 17, 1958, the House of Representatives passed S. 2251, with an amendment to provide that the beneficiary's natural parents may not be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment is acceptable, and I move that the Senate concur in the House amendment to S. 2251.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

#### MARIA G. ASLANIS AND MRS. HERMINE MELAMED

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate the amendments of the House to S. 2493 and S. 2819.

MARIA G. ASLANIS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2493) for the relief of Maria G. Aslanis, which was, to strike out all after the enacting clause and insert "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrant of arrest, and bonds, which may have issued in the case of Maria G. Aslanis. From and after the date of the enactment of this act, the said Maria G. Aslanis shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrant and orders have issued."

MRS. HERMINE MELAMED

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2819) for the relief of Mrs. Hermine Melamed, which was, to strike out all after the enacting clause and insert "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrant of arrest, and bonds which may have issued in the case of Mrs. Hermine Melamed. From and after the date of the enactment of this act, the said Mrs. Hermine Melamed shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrant and orders have issued."

Mr. MANSFIELD. Mr. President, on March 6, 1958, the Senate passed S. 2493 and S. 2819, to grant the status of permanent residence in the United States to the beneficiaries. On June 17, 1958, the House of Representatives passed S. 2493 and S. 2819, each with an amendment to provide only for cancellation of outstanding deportation proceedings, thus permitting the beneficiaries to remain in the United States without giving them legal status.

I move that the Senate concur in the House amendments to S. 2493 and S. 2819.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana that the Senate concur in the amendments of the House to S. 2493 and S. 2819.

The motion was agreed to.

#### JOSEPH H. LYM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate

proceed to the consideration of Calendar No. 1745, S. 3894.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3894) for the relief of Joseph H. Lym, doing business as the Lym Engineering Co.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. WATKINS. The bill was objected to when it was called on the calendar, and it went over for further consideration. I ask unanimous consent to have printed in the RECORD an explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR WATKINS

When this matter was called up on June 23 during the call of the Consent Calendar, my colleagues on the other side of the aisle objected to it being considered as Unanimous Consent Calendar business, expressing concern that the matter should be taken up "at some future date. The bill should be explained more fully."

In Senate report No. 1711, on this bill, there is printed a copy of the opinion handed down by Judge Littleton for the Court of Claims. In that opinion Judge Littleton makes a statement of facts on this claim which most clearly sets out the full nature of the incident from which the court concluded that the claimant was entitled to recovery in the amount set forth in the pending bill. I would like to read to my colleagues Judge Littleton's statement of facts:

"During the course of World War II the plaintiff performed various contracts for the United States. On February 12, 1945, while plaintiff was completing war contracts for the United States in Utah and Wyoming, he submitted his bid in the amount of \$130,041.36 to the Bureau of Reclamation for the construction of an irrigation project near Tucumcari, N. Mex. The purpose of the project was to irrigate certain arid lands in New Mexico for war food production. There was a long irrigation canal on the north and west side of Tucumcari and the work involved the building of laterals and sublaterals from the canal and running down through the area to be irrigated. The project required the building of headgates, siphons, flumes, and outlets over an area of approximately 24 square miles. On the usual building construction project, one supervisor can direct the work of 30 or 40 men. On the irrigation project in suit, however, it was necessary to use many small groups of laborers over a very wide area with a supervisor in charge of each small group. Plaintiff knew when he bid on the contract that he would need to employ a large force of skilled supervisory personnel if the project was to be completed August 1, 1945, in the 100 days allotted for completion and at the price bid. When plaintiff submitted his bid on February 12, 1945, he had then in his employ three permanent supervisors consisting of one superintendent and two supervisory foremen. Plaintiff also had in his employ some 60 skilled workmen capable of supervising the small groups of unskilled laborers which would be required on the new project. It was plaintiff's intention to take his supervisory force to the new project in New Mexico and to recruit from the Tucumcari area the required number of unskilled employees."

"On about February 15, 1945, 3 days after submitting his bid on the irrigation project, plaintiff completed the other Government war contracts he then had in progress. Under the then existing rules of the War Manpower Commission, an employer was required to release his skilled labor force upon the completion of a contract, but he had the right to reemploy such skilled employees at any time within 30 days. At the expiration of 30 days, the employer had no right to rehire such skilled laborers. The 30-day period within which the plaintiff could rehire his skilled employees expired on March 15, 1945, by which time the Tucumcari irrigation project contract had not yet been awarded to plaintiff. Knowing that his right to reemploy his skilled labor force would expire on March 15, 1945, plaintiff had made frequent inquiry of the Bureau of Reclamation as to the status of his bid. Under the terms of the invitation to bid, the Bureau had 60 days within which to accept or reject the bid. It appears likely that the Bureau would have accepted plaintiff's bid within the 30 days specified by the War Manpower regulations if it had not been for the circumstance that the Bureau required War Production Board approval for the project as an integral part of the war food program. The Tucumcari irrigation project had been first authorized in 1938. It was halted in 1942 by the War Production Board, and in April 1944 it was approved by WPB for continuation under the war food program until April 1, 1945. On March 13, 1945, the War Production Board extended the terminal date of approval from April 1, 1945, to March 31, 1946, for the Tucumcari project, and on March 19, 1945, the irrigation contract was awarded to the plaintiff. By this time, however, plaintiff had lost his right to reemploy the 60 skilled employees, and when plaintiff received his notice to proceed on April 23, 1945, he had available only his three permanent supervisors to aid him in recruiting and supervising the new labor force needed for the performance of the irrigation project in New Mexico.

"The contract provided that performance thereunder must be completed in 100 calendar days, making the completion date August 1, 1945. If plaintiff had been able to use the 60 skilled employees who had been in his employ just prior to the award of this contract, he could have completed the contract by August 1, 1945, at a cost of approximately 10 percent below the contract figure of \$130,041.63. Because of plaintiff's inability to use his skilled supervisory force, and because of the poor quality of labor available in the Tucumcari area (all skilled labor in the vicinity of the Tucumcari project had been drafted for essential war activity elsewhere. As soon as plaintiff received the award in March 1945 he sent out calls to all union offices as far east as Amarillo, Tex., south to Alamogorda, N. Mex., west to Gallup, N. Mex., and north to Denver, Colo. The skilled employees sent to plaintiff were semiskilled workers operating on journeymen cards), and the high rate of turnover, plaintiff required 289 calendar days to complete performance and plaintiff's contract costs far exceeded those which would otherwise have been incurred. At the completion of the contract on February 6, 1946, the Government assessed liquidated damages against plaintiff for the 189 days of delay in the sum of \$9,450.

"Shortly after commencing work on the project in April 1945, plaintiff realized that because of the poor quality of labor and the lack of a skilled supervisory force, his costs were running far in excess of estimates. Accordingly, plaintiff applied to the Bureau of Reclamation for an upward adjustment of his contract price. Under the provisions of the First War Powers Act, the Bureau had authority to make such an upward adjustment in the contract price without consideration if it determined that the condi-

tions specified in that act warranted it. Plaintiff's application for First War Powers Act relief was not processed until after hostilities were terminated on August 14, 1945, and his application for relief was finally denied on the ground that it could no longer be said that such relief would aid the Government in the prosecution of the war.

"Upon completion of the contract, final payment was made. The plaintiff executed a release which was subject to plaintiff's claim to recover the \$9,450 withheld for liquidated damages and also \$189,484.95 for increased costs incurred by plaintiff under the contract without fault or negligence on plaintiff's part. The Bureau of Reclamation determined that part of the delay was due to an unforeseeable condition under article 9 of the contract, and remitted liquidated damages to the extent of \$4,150, but it never paid this amount to the plaintiff because the voucher covering that amount was not executed by plaintiff. The balance of plaintiff's claim to the Bureau was rejected on the ground that it involved a claim for unliquidated damages which the Bureau was not authorized to award administratively.

"Plaintiff made a timely application to the Bureau of Reclamation for relief from losses incurred under the contract pursuant to the provisions of the act of August 7, 1946, title 41, United States Code, 1946 edition, section 106, note, known as the Lucas Act, which provided that Government departments might consider, adjust, and settle equitable claims of contractors for losses incurred between September 16, 1940, and August 14, 1945, on war contracts for work, supplies or services furnished between those dates, if the losses had not been the result of fault or negligence on the part of the contractor.

"On September 3, 1948, the Department of the Interior determined that plaintiff's losses were incurred without fault or negligence on the part of plaintiff, and plaintiff was reimbursed for those losses on the contract in suit which were incurred from the commencement of the contract in April 1945 up to and including August 14, 1945. The claim which is covered in the present reference is for losses incurred on the same contract from August 14, 1945, to the date of completion of the contract on February 6, 1946. Plaintiff concedes that the claim for losses incurred subsequent to August 14, 1945, is not covered by the Lucas Act. *T. Calvin Owens v. United States* (123 C. Cls. 1, 9).

"The trial commissioner found that the claimant's net losses incurred on the contract after August 14, 1945, were \$111,080.60."

So let me summarize this claim. The contract was completed. The benefit of the work has been accepted by the Government, and under the Lucas Act the Secretary of the Interior administratively determined that the additional cost of performing the work was incurred without the fault or negligence on the part of the contractor; and under the Lucas Act the Secretary determined that \$62,049.25 was incurred prior to August 14, 1945.

The Department ran an audit of the contractor's books and deducted from this \$62,049.25 figure, \$14,080.93 which represents the profit he had made on the previous Government contracts. They further found that the contractor has from that day to this held no further Government contract work. As a matter of fact, the costs incurred on this project which the contractor honored bankrupted the contractor and a tax delinquency has been assessed against him.

Therefore, while the Interior Department has recognized an entitlement of \$62,000 less \$14,000, or \$47,968.32, that money has not actually been paid over to him but is withheld as a set-off against his tax delinquency.

Furthermore, of the \$111,000 which is being awarded to him by this bill, the Treasury Department also will take a healthy cut.

While it is not contained in the committee report, facts in the case will disclose that this \$47,000 withheld from the claimant has been withheld by the Government while at the same time the claimant is being charged delinquent interest on the tax deficiency at the rate of 6 percent. It is impossible at this time to determine exactly how big a bite Uncle Sam will take out of this award of \$111,000.

Mr. Lym has expressed to me, however, his prime interest is to satisfy the tax delinquency in order that he may again start out in the business of civil engineering and construction.

I hope that this explanation satisfies the questions raised by my colleagues and that the Senate can now pass this bill so that it may be considered by the House before adjournment.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph H. Lym, doing business as the Lym Engineering Co., the sum of \$111,080.60 in accordance with the opinion and the findings of fact certified by the Court of Claims to the Congress pursuant to Senate Resolution 142, 84th Congress, 1st session: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### AUTOMOBILE DESIGN

Mr. POTTER. Mr. President, recently in the debate regarding extension of existing excise taxes some Members of this body expressed strong criticism of the automobile manufacturers' designs of their products. The criticisms are all according to one pattern, namely, that the cars of recent years' designs are too big, too shiny, too long, too wide, too low, too powerful, and too much alike. There are some who went so far as to blame the current recession on the failure of the automobile manufacturers in the past few years to design their cars more in accordance with the public's needs and tastes.

Today I wish to invite the attention of the Senate to this negative appraisal, which seems to me very hasty, and to review the shaky logic upon which it appears to rest. The attack on the auto industry presumes without further examination that the manufacturers are not making cars the public wants, which in turn is the cause of the current recession. This seems to be the series of apparently logical steps.

Perhaps the best place to begin an examination of the grounds for such a serious charge against the auto industry is to look at some of the facts. So we may begin by turning to an impartial statistical authority for the auto industry—Ward's Automotive Reports.



In an effort to measure what the American car-buying public think of simply equipped versus fully equipped cars and elaborate models versus plain cheaper models, Ward's Automotive Reports analyzed the prices of used 1957 cars in the spring of 1958. One of the charges against the industry is that the 1958 cars are much the same as the 1957's in appearance. Therefore, the difference in prices of 1957's in 1958 compared to original prices in 1957 should be indicative of the public's reaction to style, model, and equipment. The information they furnish may surprise the Senate. The table on page 198 of Ward's letter of June 21 is headed "Less Costly Models Depreciate Most Among 1957

Low-Price-Field Used Cars." The letter then goes on to state as follows:

A study of May used-car values revealed that the largest depreciations among 1957 model cars in the low-price field were shown by the least expensive series, and, conversely, the more expensive series depreciated the least.

The study was based on average retail values of 4-door sedans only in an 8-State area. (See table.)

The entire analysis is quite interesting, and I ask unanimous consent that it be printed as part of my remarks in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Less costly models depreciate most among 1957 low-price field used cars*

DEPRECIATION OF 1957 MODEL LOW-PRICE CARS<sup>1</sup>

[As of May 1958]

	6-cylinder models				V-8 models			
	Model	Factory advertised delivered price <sup>2</sup>	Average retail <sup>3</sup>	Per cent depreciation	Model	Factory advertised delivered price <sup>2</sup>	Average retail <sup>3</sup>	Per cent depreciation
Chevrolet	150.....	\$2,048	\$1,430	30.2	150.....	\$2,148	\$1,525	29.0
	210.....	2,174	1,570	27.8	210.....	2,274	1,665	26.8
	Bel-Air.....	2,200	1,700	25.8	Bel-Air.....	2,300	1,785	25.3
	Custom.....	2,042	1,385	32.2	Custom.....	2,142	1,510	29.5
Ford	300.....	2,157	1,505	30.2	300.....	2,257	1,630	29.8
	Fairlane.....	2,286	1,605	29.8	Fairlane.....	2,386	1,710	28.3
	Plaza.....	2,055	1,355	34.1	Plaza.....	2,155	1,470	31.8
	Savoy.....	2,194	1,495	31.9	Savoy.....	2,294	1,620	29.4
Plymouth	Belvedere.....	2,310	1,635	29.2	Belvedere.....	2,410	1,775	26.3
	DeLuxe.....	1,961	1,380	29.6	Super.....	2,253	1,585	29.6
	Super.....	2,123	1,500	29.3	Custom.....	2,343	1,675	28.5
	Custom.....	2,213	1,570	29.1	Commander Custom.....	2,173	1,545	28.9
Rambler	Scotsman.....	1,826	1,390	23.9	Commander DeLuxe.....	2,295	1,645	28.3
	Champion.....	2,049	1,400	31.7	President.....	2,407	1,780	26.0
	Custom, Champion DeLuxe.....	2,171	1,500	30.9				

<sup>1</sup> Data based on prices in 8 Midwestern States including Indiana, Kentucky, Michigan, Missouri, Ohio and portions of Illinois, Kansas, and Wisconsin.

<sup>2</sup> Fact. ADF is manufacturer's suggested advertised delivered price of 4-door sedans including standard equipment only. Includes provision for Federal excise tax, delivery and handling.

<sup>3</sup> Average retail are latest average retail values based on actual sales reports from new and used car dealers in the 8-State area and include radio and heater.

Source: NADA Official Used Car Guide.

Mr. POTTER. Mr. President, one footnote should be added to this table, namely, that the Studebaker Scotsman to which reference has been made was brought out 6 months later than the other cars used in this comparison, hence should be expected to have a somewhat lower depreciation rate at this time than other cars, because the average age of the Studebaker cars at the time of the analysis was less than that of the other four makes analyzed.

This analysis makes very clear how dubious is the argument that the American public does not want more elaborate cars equipped with the latest improvements. Regardless of what some Members of this body may desire in the way of personal transportation, the great majority of the American public prefers the better-equipped, more-expensive models, and the better equipped they are, the more popular they are. The used-car market demonstrates this fact conclusively.

The senior Senator from Michigan suggests to his respected friends that the real test of car design in a free society is preference by the consumer. If the consumer shows a preference for bigger, more powerful cars in his actual pur-

chases, perhaps this fact ought to be more important to a manufacturer than the individual opinions of a few journalists or a few Congressmen, no matter how distinguished. I do not need to recall to your mind, Mr. President, that there are countries where a few persons of political eminence have undertaken to prescribe designs for automobiles. In such countries, the cars have been uniformly small, ugly and relatively uncomfortable, so far as the cars available to the general public have been concerned. Powerful political figures, on the other hand, have shown a marked preference for the larger, more luxurious and comfortable American-style cars when considering their own personal transportation.

I am sure my associates want nothing like such a condition in this country. Here in America, our ambition—car-wise—is to get every American into a Cadillac, a Lincoln, a Chrysler Imperial or a similar car of still another make. And we are coming close to it.

If we study the comparative specifications, such as weight, size, power, and factors contributing to ease and comfort, we may be astonished at what we find when we compare 1958 low-priced cars

with high-priced models of only 6 years ago.

It has been called to my attention that there is a current Chevrolet model which is the equivalent in size, performance, and most of the other physical characteristics of the 1952 Cadillac—and sells for about \$1,000 less. The same comparison can be made between 1958 Fords and 1952 Lincolns, and between 1958 Plymouths and 1952 Imperials with approximately the same results.

This means that the buyer of 1958 low-priced cars can get a car equivalent to the finest of only 6 years ago at a very substantially lower price. By upgrading quality, the automobile manufacturers have actually reduced the real cost of cars and increased the real value per dollar of price. So the complaint that the present low-priced cars are too big and too fancy simply resolves itself into, a contention that the great mass of the American public ought not own such luxurious cars. Are large cars then to be restricted only to Members of Congress? Certainly small cars have a limited place in the market, but it is inherent in their design that they cannot be both cheaper and still be as rugged and perform as well as larger cars. If anyone disputes this, I suggest that he borrow one of the low-powered imported cars, use it on crowded highways for a weekend, and decide for himself whether, if he were limited to only one car, the small car would be the car he would buy. I warrant that not one in ten would so choose.

The sales record, day to day, is the most severe test of car design. A national election on car design is taking place every day. There are large cars and there are smaller, very plain cars available. The smaller, very plain cars are priced lower.

But who is winning this daily national election? The vote of the people, as registered in the actual purchases of cars, is overwhelmingly on the side of the better equipped, more powerful, more comfortable American-made cars, in the ratio of over nine to one.

It is an interesting fact that in spite of the low level of employment generally in the automobile industry, men are actually working overtime building the Chevrolet Impala, the most expensive car in that line, and the Ford Thunderbird, a comparably high-priced car.

It is also an interesting commentary that used imported small cars, with one exception, show about the same rate of depreciation from original cost for the same age as the average of American cars.

I wish also to read into the record a description—written by the very able automobile editor of the New York Times, Mr. Joseph C. Ingraham—of the thoroughness with which the public desires are studied and surveyed before the shape of things to come in automobiles is decided:

An automobile is an assembled product of more than 13,000 parts. The forces that shape it are just as diverse, and, like the car itself, must be welded into a cohesive pattern 2 to 3 years ahead of introduction. Before the public, which is the key force in the whole business, gets a peek at a car, the

engineers, the sales force, the stylists, the color artists, the body design experts, the production managers and the top factory management all have had their say—and at length.

But the public is in the act from the start, too. Designing a new model begins with trying every kind of market-research technique to find out what the prospective customer says he wants. Microphones are planted in showroom displays to eavesdrop as he looks over current offerings; elaborate "dream cars" are displayed at auto shows; opinions are sought by door-to-door canvass; 6 million lengthy questionnaires are sent out each year.

About 2 million replies to these questionnaires come back. The information gleaned from them is classified, for competitive reasons, but it serves as the main springboard for designers' and engineers' future thinking.

Mr. President, I submit that the record of the automobile manufacturers of the United States in designing cars according to the public taste needs no defense by me. I think we will all agree that the record of success, of competitive keenness, in the auto industry is really fantastic. By designing a product so clearly in line with the public desire, they have turned what was originally a sportsman's toy into a necessity, integrated with the whole economy at every point.

Now as to the contention that the automobile industry caused the depression of 1958 by overselling the car market in 1955, a charge which has been made on the floor of the Senate on several occasions this year by Members of both parties, let us examine the evidence and judge whether there is any merit whatever to this contention. My source in this analysis is the Economic Indicators, published by the Council of Economic Advisers, the most authoritative economic information available to the Congress.

It was a sharp rise in automobile sales from 1954 to an alltime high in 1955 that did much to pull our economy out of the modest recession of 1954. New housing starts also rose to a new peak in 1955. By the end of 1955 expenditures for new plant and equipment also reached a new high, as did per capita disposable income, total disposable personal income and total gross national product.

But what happened in 1956? Automobile sales declined from a level of over 7 million in 1955 to slightly under 6 million in 1956, a level that was maintained throughout the 1957 model run. Housing starts also declined in 1956 from the peak of 1955 and continued to decline in 1957. Did the drop in automobile sales from 1955 to 1956 cause the drop in housing starts?

In spite of the drop in new housing starts and in automobile sales in 1956, all of the other major economic indicators reached progressively new highs in 1956 and 1957—gross national product, national income, disposable personal income, and per capita disposable income. Even farm income, which had been declining, rose above the 1955 level in 1956 and 1957. Gross private domestic investment and expenditures for new plant and equipment also reached new high levels in both years. In the face of this record, how can one say that the decline in automobile sales in the first

quarter of 1958 caused the decline in expenditures for new plant equipment which began in the third quarter of 1957 or the decline in housing starts which had been going on consistently from 1955? To make such a charge is sheer nonsense. The decline in automobile sales did not begin until the very end of 1957, when many of the other series, particularly freight car loadings, had already declined. Clearly the decline in automobile sales this year is a result rather than a cause of the general decline which began earlier. All of the decline in automobile sales appears, furthermore, to have taken place in the few months from December 1957 to March of this year and I am advised by the automobile market analysts that there has been a slow but steady improvement in both new and used car sales since March.

What really happened in 1956 and 1957 that led to the present letdown in economic activity is clear. The country embarked on a capital-expansion boom in 1955 which continued into 1957. The Federal Reserve Board saw in that boom, to the extent that it was financed by bank credit, a threat to the stability of our economy and a feeding of inflation. They took strenuous measures to curtail that boom and made no bones of their fears, intentions, and actions to curtail it. They succeeded. In deflating a boom there is bound to be some unemployment. Now the Federal Reserve policy in this respect during this period was a highly controversial one. The Members of the Senate have themselves been at odds as to the wisdom of this policy, and the criticism of the Federal Reserve policy during this period has not followed party lines. There are those who insisted that the Federal Reserve had put the brakes on too sharply and kept them on too long.

I do not pretend to be an authority on these matters, and even the members of the Finance Committee are not in agreement on it.

Nevertheless, the fact remains that the automobile industry had nothing to do with the continued expansion of the economy in 1956 and 1957, was not a beneficiary in that expansion insofar as reaching new highs in production and employment while other industries did, and at the present time is a victim of the contraction which originated in the decline in the capital-goods boom. A spreading fear and caution was gradually produced in the buying public and was reflected especially in curtailed spending for large items in the family budget, such as houses and cars usually bought on long-term credit.

As one who has watched the dynamic auto industry from close up, and who has known the alert and keen workmen as well as the able executives of this industry, I have not found it to be a pleasant experience to see these men and this great Michigan industry made a scapegoat for our troubles. We are very proud of the automobile industry in Michigan. We welcome constructive criticism, based on facts; we are not very hospitable, I must say, to scapegoating, and loose, unsubstantiated charges.

It is my strong conviction that the present criticism in Congress of auto designs as well as auto production and sales planning is not in the public interest. Such curbstome conjectures serve rather to prevent our reaching the real source of our economic problems by obscuring our vision.

There seems to be little, indeed, to support the conjecture that the auto industry is at fault. And my mail from Michigan shows a steadily rising resentment at the attempt to make Michigan and the auto industry a national scapegoat.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an article entitled "Detroit's Billion-Dollar Gamble," written by Joseph C. Ingraham, and published in the New York Times magazine of June 29, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### DETROIT'S BILLION-DOLLAR GAMBLE

(By Joseph C. Ingraham)

Within 90 days the automobile industry will gamble more than a billion dollars on its new cars—the 1961 models that will not appear in dealers' showrooms until 27 months from now.

This calculated risk, representing cost of design, retooling, dies, and so on, is not to Detroit's liking but it has no choice, for one of the hard facts of automobile life is that buyers' preferences must be gaged 18 to 30 months before cars are ready for market. From the industry's point of view, the 1959 models are history, at least as far as style, shape and power plant go. Even the 1960 models are well underway, with only costly crash redesigning possible at this late stage.

Whether the 1959 cars—keyed to flash and fire power—will lift the industry out of its depressed state is something that only time will determine. At the moment, with sales down to the lowest point in 6 years; an increasingly vocal section of the public has been complaining that the familiar Detroit product is not what it wants, or will buy.

In self-defense, the auto makers point out that, bad as 1958 may be, they expect to sell 4,200,000 American-built cars this year, and that the plushiest cars with the fanciest trim and the extra-cost power and gadgets are the leaders in each line. But there is no doubt that if the 1959 models fail to win a big audience, and if inexpensive foreign models keep cutting into profits, Detroit will start building its own compact cars in another year or two. The tentative plans are there, the machinery is available, but the industry is unable to gear itself to faster change in response to shifts in public taste.

An automobile is an assembled product of more than 13,000 parts. The forces that shape it are just as diverse, and, like the car itself, must be welded into a cohesive pattern 2 to 3 years ahead of introduction. Before the public, which is the key force in the whole business, gets a peek at a car, the engineers, the sales force, the stylists, the color artists, the body design experts, the production managers, and the top factory management all have had their say—and at length.

But the public is in the act from the start, too. Designing a new model begins with trying every kind of market research technique to find out what the prospective customer says he wants. Microphones are planted in showroom displays to eavesdrop as he looks over current offerings; elaborate dream cars are displayed at auto shows; opinions are sought by door-to-door canvass;



6 million lengthy questionnaires are sent out each year.

About 2 million replies to these questionnaires come back. The information gleaned from them is classified, for competitive reasons, but it serves as the main springboard for designers' and engineers' future thinking. The industry concedes that the method is not infallible, for many persons answer one way and want the opposite. One of the big makers supplemented the standard questionnaire—asking the customer to check his preferences in order of importance—by asking, "What kind of car does your neighbor want?" For himself the customer said he wanted economy, durability, and simple, conservative styling. His neighbor wanted a powerful, flashy-looking vehicle. The company built the neighbor's car—and had highly successful sales.

Once consumer preferences are established, Detroit is ready to crystallize its new car designs. While the survey teams have been busy, so have the engineers and the advanced stylists. All work in a cloak-and-dagger atmosphere for the automobile business is a high-investment, high-risk enterprise.

The car must be vigorously competitive. The basic package must be set. How big or how small, how high or how wide is the new car to be? Performance (Detroit's new cover word for horsepower, which the industry has agreed not to mention in the interest of public safety) is discussed.

The paper program for the future model is put into a book crammed with infinite detail, down to such things as estimate of profit if the customer buys at the rate the forecasters expect. The company now knows everything about the new car except how it will look.

So far, the cost accountants and the engineers have been in the spotlight. Now it is time for the stylists and the sales force to move in. They have replaced the engineers as the kingpins of the industry, for it is eye appeal that sells cars, says Detroit. Everyone takes mechanical function for granted.

By definition, the stylist is a man (women, so far, specialize only in colors and interiors) who is dissatisfied with everything and restless for the arrival of the future. Styling means building cars out of ideas. But form must follow function and once the package is set changes can be costly. Thus, the stylist and the engineer are constantly at war. The former would like to wait until the day before a car appears before deciding its final silhouette, while the engineers and their allies, the body designers, who are responsible for what goes beneath the stylists' trim, would like to have years to perfect every part of the intricate machine. And crowding into the scene are sales managers, who may be weak on technical points, but are sure they know what will sell cars.

The stylists may personally cringe at chrome but they put it on lavishly—too lavishly for the private taste of many automobile executives, in fact. The public wants it, they say, and to prove their point they note that the 1958 leader in the medium-priced field is the metal-decked Oldsmobile, known throughout the industry as the king of chrome. Of course, chrome—jewelry to the stylists—does not always sell cars. Buick for example, which is almost as heavily chromed as Oldsmobile, is having its second poor year in a row. But the industry sticks to its precept that \$10 worth of chrome does more for sales than \$100 worth of engineering.

The stylist's role is so dominant that he often can compel engineering changes to gain eye appeal. Safety engineers, who naturally would like every piece of the car to be as safe as possible, fight a losing battle, too. They speak out against bomb-shaped bumper guards and sharp metal headlamp visors that can cause injuries, but, so far, the stylist has been soundly supported by

top management, which makes the final decision.

The stylist works first with rough sketches, later with clay. The clay models start in three-eighths scale where basic flaws in proportion are spotted and corrected. Then full-size clay models are made, for as long as ideas are in clay they are flexible. Once the chief executives and their subordinates have resolved styling and engineering problems, they face two more knotty tasks before locking up the model. They have to find out if the concept can be translated into workable dies and tools, and if production facilities are equal to the job.

Once the design is locked up, the tortuous details of getting the new car ready for production move into full swing. Plastic mock-ups replace the clay models. These offer the first true picture of the finished product. Minor changes to make the car read right are still possible. If highlights, for example, which clay does not bring out, create a ragged appearance, alterations must be made. These changes are expensive, for by this stage wooden master dies for the major body parts have been carved to meet the long-lead timetable. Last year, the routine tool and die bill for the 1958 Chevrolet reportedly was in excess of \$400 million.

Although the plastic mock-up expresses final style, the body designer must still make refinements, putting solid flesh on the skin (the outside shape). Panels must be braced, thousands of welds planned to tie the body together and to the frame.

As soon as the master dies start rolling to the supply companies that turn out steel production dies, accurate rumors of what the new car will look like begin circulating at a dizzy pace although the car still is 12 months away from introduction. But even before then, competitors know virtually everything about rival cars, for the spy system is as much a part of the industry as the assembly line. All of the best techniques of detective work are employed. In fact, every company has enough data in hand now to build its competitors' 1960 cars—if it wanted to go to the expense.

As late as 6 months before assembly lines start rolling, it is possible to make changes in what the industry calls soft trim—colors, ornaments, interior panels, and upholstery fabrics. But, barring a need for a crash redesign program to meet last-minute dramatic alterations by competitors, the final 9 months before introduction of a new model are a relatively calm period.

In a sense, however, car designing is a form of perpetual motion, and when a company is caught out on a sales limb with a drab model it must move fast to recoup. Chrysler managed the trick, in part, with hurriedly restyled 1955 models after its comfortable 1954 cars flopped because they were high and short, while longer and lower rivals enjoyed a sales boom. Then Chrysler took one of the industry's most sensational gambles and brought out its 1958 models a year ahead of schedule.

The company had to junk dies and tools at a cost of \$200 million to do it but the result was the sweeping fins that made its 1957's a hit. Chrysler, as well as its competitors, believed that the forward look would survive a second year with only modest face-lifting. But sales this year are down, and Detroit, with hindsight, now finds in Chrysler's experience confirmation of its belief that the public demands dramatic annual change.

Auto life was much simpler in the days of the model T Ford. For 15 years it was the market leader—and unchanged. Styling to Henry Ford was about as easy as the decision he made—and stuck to—when an assistant (there were no stylists in those days) asked how much floor space should be put between the back and the front seats. "Just leave enough room for the farmer's milk cans," said Henry.

## LANGUAGE COURSES AT ASSUMPTION COLLEGE, MASS.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from a letter which I have received from Monsignor Desautels, president of Assumption College in Massachusetts. This institution has long had a very great interest in public affairs and in educational pursuits which have important foreign and public implications. I feel the college has done a great service to the country in this respect, and that this letter is worth the attention of my colleagues, in view of the very important program which the college is to undertake.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

I read in the New York Sunday Times of May 4, 1958: "The establishment of special centers at colleges and universities for study of foreign cultures and languages has been proposed to Congress by the Department of Health, Education, and Welfare. Secretary Marion B. Folsom noted that 3 million Americans are living, traveling and working abroad each year, and he suggested that they should have a basic understanding of the people with whom they deal."

You know how French is required of every student at Assumption and how the language must be learned through the direct method, without the use of English and without translation, with the help of an excellent language laboratory. All our religious teachers are prepared during 6 years of study in Europe, generally in France, sometimes in Belgium or in Rome; they spend their summers in Spain, in order to return to the United States trilingual.

Assumption sends to Paris a certain number of its juniors. Every year an oral examination in French is required from all and we teach through the medium of French not only French literature but also the course of History of Philosophy in the senior year as a crowning point of the language studies.

If you add to that the fact we are offering Spanish, Italian, German, Russian, and Arabic in our evening college, or in our adult education courses, it seems that we are in a position to render some of the services that are sponsored by the Government of the United States.

We therefore have a strong feeling that we are rendering a real service to the country and that we occupy an important place in the total picture of American education. All this in spite of the difficulties caused by the tornado and the moving of our complete college plant to a new location.

As a consequence, we feel it is our patriotic duty to start this coming September a new concentration in foreign affairs, which we believe will be the beginning of a complete school of foreign service, as we plan to add in the near future other concentrations in foreign trade and foreign transportation \* \* \* To my knowledge, Assumption is the only college in New England to offer such a concentration to undergraduates, though I may be wrong in this assumption.

Mr. SALTONSTALL. Mr. President, I am particularly pleased to call this letter to the attention of my colleagues because I feel it demonstrates a fine interest on the part of one of our leading educational institutions. It also demonstrates an awareness of the need for improved foreign-language standards in our Foreign Service, as called for in a bill introduced by the Senator from Montana

[Mr. MANSFIELD] and myself, S. 3552, which is now pending before the Foreign Relations Committee.

Mr. President—  
The PRESIDING OFFICER. The Senator from Massachusetts.

# UNITED STATES PARTICIPATION AT BRUSSELS WORLD'S FAIR—REPORT BY GEORGE V. ALLEN

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD the text of the report submitted to the President by George V. Allen, Director of the United States Information Agency, concerning the United States participation at the Brussels World's Fair.

I think Mr. Allen's appraisal of the United States pavilion is very objective and very fair, and I wish to add my own word of appreciation to those whose dedication has meant so much toward the success of our exhibit at Brussels.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

## TEXT OF THE REPORT TO THE PRESIDENT BY GEORGE V. ALLEN, DIRECTOR OF THE UNITED STATES INFORMATION AGENCY

DEAR MR. PRESIDENT: In accordance with your oral instructions, I visited the Brussels World's Fair from June 19 to June 22, where I examined the United States exhibit and saw as many other exhibits as possible.

During the 3½ days in Brussels, I consulted with Commissioner General Howard S. Cullman, Deputy Commissioners James S. Plaut and Mrs. Catherine Howard, Executive Director Thurston Davies, and other members of the American staff, including a number of the young Americans serving as guides. I also talked with Ambassador Folger and members of his diplomatic and public-affairs staff, and made a courtesy call on the Belgian director general of the fair, Baron Moens de Fernig. In addition, I questioned various American and foreign visitors to our pavilion.

The following summarizes my impressions:

1. On balance, my reaction was favorable. While the general impression made by the interior of our pavilion can, as I indicate later, be improved in certain respects, our effort as a whole has a number of good points and several outstanding ones.

### 2. Some of the good points are:

1. The building itself. There are many fine structures at the fair, but our pavilion is regarded by everyone I talked to as the finest single building there. I heartily concur. From both an architectural and engineering point of view, it is brilliant.

2. The overall impression of our exhibit on Europeans, who make up more than 90 percent of the visitors, is good. Europeans are particularly impressed by the absence of heavy handed propaganda and by the fact that the United States, which they know to be powerful industrially and economically, has not attempted to overshadow the fair with a show of industrial might. The general air of our exhibit is one of friendliness, animation, and humanism.

3. Our guides are a fine representation of American youth. As you may know, the governor of each State was asked to nominate and sponsor candidates.

4. Cinarama, which is a 360° film presentation, is not only a magnificent achievement in the cinema field but the film itself is a thrilling presentation of America. Unfortunately, not enough visitors can see it because of space limitations.

5. Certain of the technical exhibits, including the RCA color TV demonstration, the RAMAC electric-brain machine and the atomic energy show, are outstanding and have wide appeal.

6. The voting machines are a great hit and are attracting much favorable notice.

7. Performing arts. A high level of artistic talent has performed in our excellent theater, and many more are scheduled. Carousel, which was running while I was there, made a good impression. An American rodeo, showing in Brussels under private auspices, also adds to the picture of America.

8. My report would not be complete without reference to the many outstanding exhibits by American firms which are not connected with our pavilion, but which add notably to the overall impression of the United States at the fair.

Obviously, there are improvements which can be made in our official exhibit. I discussed certain of these with Mr. Cullman and believe he is ready to do what he can toward this end. Among these are:

1. A broadening of the problems to be considered in the exhibit on unfinished work. This might include an exhibit on public health, which is one of the important unfinished tasks of this country.

2. Wider diversification in the art exhibit. At present the modern part of this exhibit is heavily weighed on the side of abstract art.

3. A wider distribution of guidebooks and brochures. (USIA is contributing 300,000 copies of Window to America for this purpose.)

4. Clarification of several exhibit items by:
  - (a) Elimination of puzzling things such as mailboxes, sunglasses, odd shoes, football uniforms, etc. (I suggested to the Commissioner that some of them be replaced by the best handloom in the United States, which I understand is available. The inventor would operate it at the exhibit. Any machine being operated draws more interest than an exhibit not in active use. The latest handloom would tie in modern technical improvements with early American household handicrafts.)

- (b) Review of all captions and explanations to see that they are clear to the average observer—captions to be added where needed, enlarged, or clarified for the running visitor.

5. The central hall of the pavilion is somewhat too sophisticated and impressionistic for the average visitor, who goes through on the run. As many performances as possible by choirs, glee clubs and college bands should be given there. I did not find the fashion show objectionable, but it should be added to by other events.

Several suggestions for additional exhibits are now being looked into, which I believe Mr. Cullman should consider if they prove feasible.

The fair as a whole is highly successful. The estimate for total attendance has been raised from 35 million to 50 million visitors. Many of the national exhibits are outstanding. We are making a good impact on visitors, notably through our building itself, and have an opportunity to make an even greater one.

You may wish to send the substance of this report to Mr. Cullman. He and his group have worked diligently, with full dedication. They deserve, in my view, high commendation.

Faithfully yours,

GEORGE V. ALLEN.

## AMERICAN CINERAMA ROUTS SOVIET COMPETITION

Mr. KUCHEL. Mr. President, in recent weeks there has been public discussion of the quality of the exhibit entered in the Brussels World's Fair by the

United States of America. Some visitors had brought back reports that the quality of the American exhibit was not worthy of our great country. Others found the exhibit very satisfactory, but criticism appeared to require that President Eisenhower receive a personal report on the situation. Accordingly, he sent the Director of the United States Information Agency, the highly capable George V. Allen, to the fair as his representative in order that he might have a factual evaluation of the American exhibit.

Many of us in the Senate, Mr. President, and the great majority of Americans, will not have an opportunity to see the World's Fair. But I believe the American public has been reassured by George Allen's statements since he made his trip to Brussels.

After reciting that the intent of the American exhibit is to give as favorable as possible an impression to the people of Europe, Mr. Allen reported to the President that this purpose has been well accomplished. He was able to say, for example, that the pavilion which was especially designed and constructed for the American exhibit is regarded as the "finest single building at the fair."

I think Mr. Allen's report has dispelled any fear on the part of the American public that our exhibit is not worthy. I was especially delighted to read in his statement that, apart from the main United States exhibit, the American entries "not connected with the pavilion, add notably to the overall impression of the United States at the fair."

One such exhibit, Mr. President, is that of the Stanley Warner Cinarama Corp. Not only is Cinarama one of the most popular attractions at the Brussels Fair, it is completely representative of American free enterprise. I do not begrudge a penny of the investment of the United States Government in our general exhibit at Brussels. I am satisfied that it is an excellent investment in international understanding and good will. At the same time, I am delighted that a great American organization has undertaken, on the basis of its own resources and its own initiative, to participate in the fair, and is giving, for all the world to see, an illustration of our system of free enterprise.

This is not the first occasion for using Cinarama for the purpose of taking the message of America into other lands. I am told that this artistic vehicle had the popularity at world's fairs in Damascus and Bangkok which it is now enjoying at Brussels. These, Mr. President, represent, at the least, three victorious skirmishes in the cold war which is waged continuously and relentlessly by international communism.

The triumph of Cinarama at Brussels is most obvious in comparison with a parallel entry called Panarama which was attempted by the Soviet Union. In the sixth week of the fair, Cinarama, charging an admission of \$1.25, attracted audiences of such size as to produce gross ticket sales of \$25,000, compared with less than \$10,000 in the first week's run. The Russians charged only 20 cents for the privilege of viewing their



half-hour propaganda film. Yet, we are told by Variety, it has been driven into full retreat by Cinerama, as was the case at Damascus and Bangkok. The Russians have replaced Panarama with a ballet. The genius of American enterprise thus reigns supreme in this field at the fair.

Moreover, Mr. President, Cinerama has provided its own facilities at Brussels. It built its own theater. The undertaking is not Government-sponsored, nor is it Government-subsidized. Yet it has gone forward in an entertainment triumph over the Russian triple-projector process which tried to compete with it. Variety has said that "Cinerama has become the hit of the Brussels World's Fair, this on the basis of the business which the two entries in the depth-illusion medium have been doing since the fair opened." And the magazine evokes the provocative question: "Is Cinerama still Uncle Sam's best overseas envoy?"

I am happy to pay tribute to the Stanley Warner Cinerama organization in recognition of the success of this unique American enterprise. For the third successive time in world's fairs overseas, it has demonstrated a superior ability to make friends for the United States of America.

#### POLICY TOWARD CERTAIN LATIN AMERICAN COUNTRIES

Mr. JOHNSTON of South Carolina. Mr. President, on several occasions I have taken to task in the Senate those who have been crusading about our country in one way or another to undermine the governments of certain Latin American countries simply because they are not the same kind of governments as our own.

These so-called do-gooders have been bent on attacking these governments, despite the fact they are friendly to our country and support us in our universal fight against communism.

Long before the unfortunate visit of Vice President Nixon to South America, I had called for a reappraisal of our foreign policy toward Latin America, and asked that we give more consideration to our southern neighbors and promote friendship and the community spirit that once existed back when we had a good-neighbor policy.

But, as usual, I was met with sharp criticism from those who are more interested in overthrowing friendly dictators than they are in getting rid of conditions that serve the Soviet Communists in their conspiracy to divide us and take over the whole world.

Certain publications and prominent persons even support and condone the so-called revolution in Cuba by Castro, who is, even now, holding American servicemen and businessmen captive.

And there are those who would oust Trujillo, the head of the Dominican Republic, who was one of our close allies in the Caribbean until the do-gooders alienated his friendship.

I am not in favor of dictators, as such. But some countries are not ready for our form of government or do not desire to

change from a dictatorship. Some countries need a dictatorship in order to survive.

In the News and Courier of Charleston, S. C., on June 27, 1958, there appeared an editorial entitled "Dangerous Do-Gooders." The editorial almost completely expresses my feelings and opinions on the subject of our nosing into the internal affairs of other nations, with particular reference to the Dominican Republic.

I ask unanimous consent to have the editorial printed at this point in the Record, following my remarks. And I wish to take this opportunity to congratulate the editor of the News and Courier for having the courage to take his stand in the face of all the commentary and criticism now emanating from certain liberals who are destroying our best friends in the Western Hemisphere and are helping to set the stage for Communist intrusion and troublemaking.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

#### -dangerous Do-Gooders

A method of expressing annoyance with the United States that is gaining favor with smaller nations is rejection of United States foreign aid. The Dominican Republic has taken itself off the United States payroll after hearing that the son of dictator Rafael Trujillo flunked his studies at a United States Army staff school.

Despite the action of the Dominican Republic, we do not believe that its rulers intend to use General Trujillo, Jr.'s scholastic troubles as a pretext for ending an era of good feeling. We see the refusal to accept further aid as a sign that the Dominican Republic is prosperous enough to get along without help from abroad.

Much more dangerous to relations between the Dominican Republic and the United States is the attitude of do-gooders who urge this country to conspire to root out dictators wherever they may be found.

We do not approve of government by dictatorship. We recognize it to be a fact of life in many nations of Latin America.

Americans are guilty of wishful thinking when they assume that every nation in the world is as well prepared for democracy as the United States. They should think less about how to get rid of strongmen in Latin America and more about how to keep them on our side.

#### CONFERENCE REPORT ON CONSTRUCTION OF SUPERLINER PASSENGER VESSELS

Mr. FREAR. Mr. President, in connection with consideration of the conference report on House bill 11451, which was adopted by the Senate yesterday, I should like to point out that because of urgent business in my State last evening, it was necessary for me to leave the Senate shortly before 6 o'clock, prior to the time when the conference report was brought up for consideration.

Yesterday's RECORD will show that I was listed as being against the report. Mr. President, I should like to make clear that I was not opposed to this legislation, which authorizes construction of a superliner passenger vessel similar to the steamship *United States* and another vessel of similar type for operation in the Pacific Ocean.

However, Mr. President, I was sympathetic with the amendment offered by the senior Senator from Delaware [Mr. WILLIAMS], which was the subject of extensive debate during consideration of the conference report. The two matters, however, are separate. I have tried to view each of them on the basis of their respective merits.

Thus, Mr. President, for the information and guidance of various persons who have written to or talked with me about this legislation, and in order that there may be no misunderstanding, I repeat that the conference report on House bill 11451 would have received my support, had I been present. But, by the same token, I would favor the objectives of the amendment whose adoption has been sought by my colleague from Delaware.

#### FLIGHT OF THE DOMESTIC OIL INDUSTRY—AMENDMENT TO THE TRADE AGREEMENTS EXTENSION ACT OF 1958

Mr. LONG. Mr. President, today I have submitted to House bill 12951, the Trade Agreements Extension Act of 1958, an amendment which is sponsored by me and 17 of my colleagues.

Mr. President, we are now holding hearings in the Senate Finance Committee on this important measure. For several years I have advocated and supported the principles of the trade agreements program. I am still in favor of this program. However, like any other program, it should be studied periodically and modified to meet changed conditions.

Originally, the trade program was designed to spur interchange of commodities between the various nations of the world.

Trade between nations has always been important and vital to the economic structure of our Nation. It will continue to be so—particularly as we continue in our role of world leadership.

Implicit in any program to expand and increase our world trade is our obligation not to permit certain basic and essential domestic industries to be sacrificed and weakened in the furtherance of world trade and diplomacy. This is especially true with respect to our industries which are vital to national security.

In this regard, I wish to quote from the statement which Secretary Dulles made to the Senate Finance Committee:

You may ask what is the proper relationship between the progress of the trade program and the interests of domestic procedures. Let me say this. Almost every national policy hurts some and benefits others. The form of our taxation; the nature of our defense purchases; the location of Government operations—all of these and many other national policies inevitably tip the scales of competition. Often, and certainly in the field of trade, the few who may be hurt, or fear that they may be, are more vocal than the many who may gain. That is their right. But the Congress has a duty—that is, to serve the overriding national interest.

My major concern in this area, Mr. President, is that in translating that statement into present practice, our Government is administering the program in a manner which permits importers to force a domestic industry steadily to reduce its production, which eventually may force it to quit business, so as to make room for expanded imports—all in the name of foreign-policy considerations. I agree with Mr. Dulles that it is the duty of Congress to determine what course will best serve the national interest.

That brings me to the purpose and basis of my amendment.

Mr. President, our Nation can ill afford to have only a few domestic industries carry the full brunt of increased foreign trade. Some commodities have more than the required protection from imports, while other industries and commodities have far too little. This has caused an unfair imbalance which has placed on certain industries the burden of absorbing an undue share of import competition.

With respect to commodities which our Nation does not produce—such as coffee, bananas, tin, and so forth—there is no problem. But when an essential domestic industry that is more than capable of producing our needs of today and those for the foreseeable future is required to give up to foreign imports an ever-increasing portion of our domestic market, it is time to look into the desirability of permitting such a result.

Mr. President, this situation is all the more aggravated when the industry which is asked to pull in its horns and take a smaller and smaller share of the home market is one which is absolutely fundamental to our Nation's defense.

Today, I am addressing myself to the problems of the petroleum industry. It is the prime example of an essential domestic industry that has consistently been forced to give up a larger and larger share of the United States markets to unpredictable foreign imports.

Even more important than the economic loss to domestic oil producers is the serious impact this trend is having on our national security. The problem is this simple: 65 percent of a domestic oil producer's gross income is reinvested in the search for development and expansion of additional petroleum supplies. Thus, for every dollar that goes overseas for foreign oil, we lose 65 cents which would be spent for exploration and development of oil within our own borders.

Mr. President, in the light of our experiences with submarines, the closing of the Suez Canal, the uncertainties in the Near East, and the strong Communist movement in Venezuela, I need not tell this body that there is no security in foreign oil.

Unfortunately, during 1957, as a result of curtailed exploration and drilling for petroleum in this country, largely due to excessive imports, our Nation for the first time since 1943 discovered less oil than it consumed. During the same year, the petroleum industry was faced with oil imports totaling \$1.5 billion, which makes petroleum the No. 1 dollar

import into this country. The dollar value of petroleum imports is even greater than the value of coffee imports, which had been No. 1 for many, many years.

Since 1934, petroleum imports climbed from ninth place to its first-place position reached last year.

This history raises an important question. In the United States today we have 3 million barrels daily shut in. This is about 35 percent of our oil-producing capacity. No industry can be expected to maintain that much idle capacity.

Yet we are permitting imports to take over more and more of our home market. Why should we permit imports of ever-increasing volume of a commodity which is in surplus supply?

Would we expect Brazil to shut down its coffee industry and use imported coffee, or Chile to use imported copper? Yet that is what the United States Government is asking the domestic petroleum industry to do.

Prudence dictates that sound trade should consist of imports of products which the receiving country does not produce in sufficient quantity—not products in surplus supply. Forced trade cannot lead to sound relations.

Mr. President, the petroleum industry recognizes the important role of international trade. The industry as a whole agrees that there is a proper place for imports which will supplement, but not supplant, domestic production. However, let us take a look at the relative position of oil in total trade for 1957, and compare this with 1934, the year the foreign trade agreements program was authorized.

At this point I ask unanimous consent to have printed in the RECORD a table comparing oil imports in 1957 with oil imports in 1934.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CHART 1.—Comparing oil imports in 1957 (year of voluntary oil import program) with 1934 (1st year operation foreign trade agreements program)

Year	Total oil imports	Oil as percentage of total imports
1934.....	\$37,000,000	2.2
1957.....	1,500,000,000	12.0

CHART 2.—Comparison of oil imports and exports, prewar and present

Year	Oil exports as percentage of domestic production	Oil imports as percentage of domestic production
1935-39.....	13.9	4.8
January-June, 1958.....	4.0	24.1

Mr. LONG. In 1957, oil provided \$1.5 billion, or 12 percent of total imports of all commodities. In 1934 these figures for petroleum imports were \$37 million, or 2.2 percent of this Nation's import trade.

In contrast, many consuming nations of United States petroleum products have turned to other sources of supply to such an extent that domestic petroleum supplying this foreign market has steadily decreased from 13.9 percent of domestic crude oil production for the years 1935-39 to 7.8 percent for 1957, and the figures for this latter year included extraordinarily heavy exports to aid Europe during the Suez crisis. For the first 6 months of 1958, exports of petroleum will average only 4 percent of our domestic crude oil production.

Looking at the matter strictly on the basis of encouraging international trade, it is unfair to ask one industry, particularly one vital to national security, to contribute far more than its fair share in trade dollars.

Since World War II, more than three-fourths of all oil imported into the United States has come from four countries—Venezuela, Netherlands Antilles, Kuwait, and Saudi Arabia. The value of oil imports from these 4 countries in 1956 was almost 5 times the total value in 1947.

In contrast, total exports of United States merchandise to these same countries in 1956 was less than 50 percent higher than in 1947. This clearly shows that the amount of goods these countries buy from us is not directly related to or dependent on the amount of oil we import from them.

This heavy impact of foreign oil on the domestic industry is taking its toll, and the ability of this Nation to meet its oil needs both in peace and war is being seriously threatened.

Generally speaking, the number of new wells being drilled is a good barometer of the future status of the oil industry. The record shows that well completions are at a rate 13 percent below 1957 and 20 percent below 1956.

Rotary rigs active as of June 16, 1958, were down 26 percent from the same date last year and 35 percent from the same date in 1956. Although it is hard to believe, this is all taking place at a time when domestic consumption of petroleum is approximately the same as the levels for 1956 and 1957.

Mr. President, every Member of the Senate should be acquainted with the report of the President's Special Committee To Study Crude Oil Imports—released last July 29. In this report the committee stated:

Unless a reasonable limitation of petroleum imports is brought about \* \* \* (c) there will be a marked decline in domestic exploration and development.

As to that statement, it would appear that this Committee knew what it was talking about.

I could recite many pertinent statistics here today, but they all add up to one thing—the intent embodied in the Senate's adoption of section 7 of the Trade Act of 1955 has not been carried out.

Back in 1955 the Senate had before it certain proposals dealing with specific commodities essential to national defense. This covered such items as petroleum, lead and zinc, and fluorspar. In lieu of these proposals, one of which



would have placed a fixed quota limitation on petroleum imports, the Senate wrote into the trade bill the defense amendment.

When we took this action we had before us the report of the President's Advisory Committee on Energy Supplies and Resources Policy, which stated:

The Committee believes that if the imports of crude and residual oils should exceed significantly the respective production of domestic crude oil in 1954, the domestic-fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be an inadequate incentive for exploration and the discovery of new sources of supply.

The Committee recommends, however, that, if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.

Had the intent of the defense amendment and the recommendations of the President's Fuels Committee been carried out, the ratio of petroleum imports to domestic production would today be 16.6 percent instead of almost 25 percent. Mr. President, this is more than a 50-percent increase in the few years since we adopted an amendment which was supposed to hold imports to a reasonable level. Looking back, I, for one, thought it would accomplish what we were seeking when we adopted this provision. I leave it to Senators to judge from the facts whether it has been effective.

In all fairness, Mr. President, I must state that almost a year ago the President of the United States, acting on the recommendations of ODM and a Cabinet Committee, instituted what is commonly called the voluntary oil-import program. So far as it goes it has been helpful, but, looking at the record, we see that it does not cover all petroleum-product imports. It splits this Nation up into regions for purposes of administration, to the end that what looks like an effective program is in fact not as good as it would appear at first blush.

First. The program is at the mercy of the importing companies for its success or failure. It is voluntary. It should be mandatory under the law.

Second. It places the United States Government in the position of pleading, of trying to persuade interested parties—the importing companies—to comply with a program which the President, his Cabinet, and Congress itself have said is necessary and essential to our Nation's security.

Third. It is already under court attack by one importing company, and may fall as a result.

Fourth. It does not cover the bulk of petroleum-product imports, which in many categories supplant more barrels of crude-oil production than the volume of product imported.

Fifth. It did not, even as to crude oil, start out to hold imports to their 1954 ratio as recommended by the President's Fuels Committee in 1955.

Can we consider that the intent of Congress in adopting the defense

amendment has been carried out when total petroleum imports since its adoption have increased from 1,052,000 barrels per day in 1954 to an average of 1,560,000 barrels per day during the first 6 months of 1958?

I have some late figures based on data filed with the Texas Railroad Commission by the importing companies which show that imports of petroleum products will total for the third quarter of this year over 600,000 barrels daily. This is 40 percent above the imports of products for the like period in 1957 and 100 percent above the like period in 1954.

This large increase in petroleum product imports is attributable to two significant factors: One, existing import curbs which do not cover finished products; two, heavy expansion programs of overseas refining capacity.

The refining capacity of Western Hemisphere countries has increased by over 35 percent in the past 3 years. Cuba is now able to refine 10 times as much crude oil as it was in 1954. Venezuela has increased its capacity by 40 percent. Puerto Rico now has a refinery. By the end of 1958 our neighbors will have increased their refining capacity by another 15 percent.

In Europe the increase in refining capacity has been even more rapid. Both Great Britain and Germany will be able to refine about 45 percent more crude at the end of this year.

In contrast to this sharp expansion program in other countries, American refining capacity will increase by only 4 percent this year. Very soon our domestic refiners as well as our domestic producers will face critical foreign competition, as more and more petroleum products invade our market.

Mr. President, I have referred to the President's Special Committee To Investigate Crude Oil Imports, which is made up of six members of the President's Cabinet. I would like to quote what it said as to oil imports:

Unless a reasonable limitation of petroleum imports is brought about, your Committee believes that:

(a) Oil imports will flow into this country in ever-mounting quantities, entirely disproportionate to the quantities needed to supplement domestic supply.

(b) There will be a resultant discouragement of, and decrease in, domestic production.

(c) There will be a marked decline in domestic exploration and development.

(d) In the event of a serious emergency, this Nation will find itself years away from attaining the level of petroleum production necessary to meet our national security needs.

If we are to have enough oil to meet our national security needs, there must be a limitation on imports that will insure a proper balance between imports and domestic production.

This is what this important Committee concluded. I agree with these statements. That is why, Mr. President, I am placing before this body my amendment to the Trade Act.

The executive department has recognized the problem, but has failed to take adequate steps to meet it. As a matter of fact, the President has not invoked the defense amendment to meet this prob-

lem, other than by his acceptance of the ODM finding submitted on April 23, 1957, that the Director of the Office of Defense Mobilization "had reason to believe that crude oil is being imported into the United States in such quantities as to threaten to impair the national security."

Again, Mr. President, I return to my original premise that this Nation can ill afford to sacrifice, for purposes of foreign relations and foreign trade, an American industry which is vital to our security and to the security of the Free World. Had we not had the oil within our borders to meet the crisis in Europe caused by the closing of the Suez, the consequences to this Nation and its allies might have been disastrous.

As further evidence of the importance of a strong domestic petroleum industry I wish to state that on April 25, 1958, Rear Adm. E. C. Stephan in a letter to Hon. WILBUR D. MILLS, chairman of the Ways and Means Committee, said:

Recent developments in the Middle East vividly demonstrate the folly of depending on foreign oil to supplement local supplies even in peacetime. It would obviously be extremely dangerous to rely on foreign sources of supply in time of war.

This policy declaration was made on behalf of the Department of Defense with the approval of the Bureau of the Budget.

This position is important to national security. Congress should assure its observance by a positive statement in the law.

What does this all add up to, Mr. President? It is simply this: The President and his experts agree that a proper balance between imports and domestic oil production must be maintained; the record was established before this body in 1955 that the proper balance was the 16.6 percent ratio existing in 1954. This goal is far from achievement under the present voluntary program and even this program could break down.

The answer is a firm and statutory directive by Congress that imports be held in proper balance with domestic production. This is exactly what my amendment would do.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point the text of the amendment, and a brief analysis of what it would do.

There being no objection, the text of the amendment and the analysis were ordered to be printed in the RECORD, as follows:

On page 16, between line 11 and line 12, insert the following:

"(1) (A) With respect to crude petroleum and any product, derivative, or residue of crude petroleum, imports for consumption in the United States (including imports for supplies for vessels or aircraft) in excess of the ratio in the year 1954 between such imports for consumption and domestic production are deemed to endanger national security and the President shall limit each of such imports for consumption in the United States to or below such ratio.

"(B) The President may suspend such limitation established pursuant to this subsection during any period in which he finds that supplies of the articles, or directly competitive articles, are inadequate to meet current total domestic demand. The President may modify such limitation during any period in which he finds that supplies of any

specific article, or directly competitive articles, are inadequate to meet current demand in a particular area or region, to the extent necessary to assure an adequacy of supply in that area or region: *Provided*, That in any calendar year total petroleum imports for consumption in the United States shall not exceed the limitations as provided in paragraph (A) of this subsection.

"(C) In the interest of national security, the President may allocate among countries or areas which are the source of imports of crude petroleum or any product, derivative, or residue of crude petroleum, a proportionate part of the total amount of such imports within the quotas established pursuant to this subsection.

"(D) Upon determination of the quotas to be established on imports of crude petroleum or any product, derivative or residue of crude petroleum the President shall publish such quotas and request bids for licenses to import within such quotas and in accordance with such regulations as the President may prescribe licenses to import shall be awarded subject to approval by the President on the basis of the highest bids. In prescribing the regulations hereunder and in awarding licenses the President shall give due regard to the prevention of monopolistic practices and competitive inequities and to the preservation of small businesses.

"(E) Any action taken in administering this subsection shall be in conformity with the provisions of the Administrative Procedures Act shall be equitably consistent with the needs of parties affected and shall be in furtherance of principles of equal competitive opportunity with recognition for the development and well-being of small businesses.

"(2) The provisions of this section and import limitations established hereunder shall be effective notwithstanding any other provision of law or any foreign-trade agreement to which the United States is a party unless specifically repealed by act of Congress: *Provided, however*, That nothing contained in this act shall be interpreted or construed as approving any act, action or conduct which is, or has been, or may be in violation of the antitrust laws of the United States, nor shall anything contained in this act constitute a defense to any action, suit or proceedings pending or hereinafter instituted on account of any prohibited antitrust or monopolistic act, action or conduct."

#### ANALYSIS OF THE LONG AMENDMENT TO H. R. 12591, TRADE AGREEMENTS EXTENSION ACT OF 1958

The proposal would amend the existing defense amendment (19 U. S. C. 1352a) which was originally adopted in 1954 (Symington amendment) and substantially amended by section 7 of the Trade Agreements Extension Act of 1955. Under existing law, the defense amendment delegates to the President broad authority to take what action he deems necessary in order to prevent excessive imports of any commodity from impairing or threatening the national security. The Long amendment would implement the present law with respect to petroleum as follows:

1. Limit imports of both crude and all petroleum products to the ratio that such imports bore to domestic production in 1954, i. e., 16.6 percent. This ratio has grown steadily from a pre-World War II average of 4.9 percent to 24.1 percent during the first half of 1958.

2. Give the President complete authority to suspend or modify the quota during any period of threatened shortage of domestic supply to meet current demands.

3. Authorize the President, if deemed necessary in the interest of national security, to allocate import quotas among the countries or areas which are the source of oil imports. This would assure that low-cost sources, such

as the Middle East, could not monopolize the quota.

4. Provide that such import quotas would be put up for bid. Licenses to import would be awarded, subject to approval by the President, on the basis of the highest bids. Requiring presidential approval would permit the President to "police" the program to insure that importing companies are treated fairly and that no one company or combination of companies be allowed to dominate the importation of foreign oil. In addition, the President is required to give due regard to the prevention of monopolistic practices, competitive inequities, and the preservation of small businesses. This licensing procedure provides a self-administering method of allocating the quota which eliminates the danger of Federal governmental control of domestic industry activities. It is preferable over a method which would leave to some governmental official or agency the responsibility of allocating the quota which may well lead to further governmental control over the domestic industry. Awarding of licenses on a bid basis would tend to eliminate the economic advantage enjoyed by foreign oil. It would function in the direction of placing each barrel of imported oil on a competitive equality with oil produced in the United States and also provide a substantial source of revenue to the Federal Government.

5. Provide that administrative actions under the amendment shall be in conformity with the Administrative Procedures Act and shall give full recognition to the needs and competitive opportunities of small businesses.

6. Provide that no action taken pursuant to the amendment shall, in any way, interfere with the antitrust laws.

7. Provide a firm law, with sufficient flexibility, that would assure a reasonable balance between imports and domestic production which would be fair both to the domestic producer and importing company.

Mr. LONG. Mr. President, I also ask unanimous consent to have printed in the RECORD immediately following my remarks a legislative history and expressions of Congressional intent surrounding the adoption of the defense amendment in 1955.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator HARRY F. BYRD, Virginia, commented as follows (vol. 101, pt. 4, p. 5293, CONGRESSIONAL RECORD, May 2, 1955):

"The committee believes that this amendment will provide a means for assistance to the various national-defense industries which would have been affected by the individual amendments presented."

"Congress can initiate and adopt such legislation as it might deem advisable should the action needed to protect these essential industries not be taken."

On May 2, Senator PRICE DANIEL, Texas, and Senator EUGENE MILLIKIN, Colorado, discussed the substitute amendment. This discussion, from volume 101, part 4, page 5299 of the CONGRESSIONAL RECORD of May 2, 1955, is as follows:

"Mr. DANIEL. Does the Senator feel that action would be taken if over an extended period imports should be in excess of the ratio which existed in 1954?"

"Mr. MILLIKIN. I do; and while I do not propose to put a jinx on the processes we have recommended, if those processes do not work, I shall be among the first actively to support special measures."

"Mr. DANIEL. I thank the Senator. I am glad to have his statement. I know of the Senator's interest in this subject. I take it he believes that the national security should

be protected, insofar as it would be adversely affected by imports of oil and other products mentioned in the committee report."

"Mr. MILLIKIN. That is my feeling. My own State of Colorado is an oil producer. It produces fluorspar; it produces coal; it produces many items which are essential to our national defense. If I did not think this amendment would protect us, I would be urging something else."

"I am convinced that the proposal can and will work. It grants to the President authority to take whatever action he deems necessary to adjust imports if they should threaten to impair the national security. He may use tariffs, quotas, import taxes, or other methods of import restriction. He is not limited as far as commodities are concerned except that they must be involved in our national security."

On May 3, Senator FRANK CARLSON, Kansas, commented further. His remarks, from volume 101, part 4, page 5389 of the CONGRESSIONAL RECORD of that date, are as follows:

"The Senate Finance Committee, in approving H. R. 1, specifically recognized the problem and inserted in its report a portion of the report of the President's Advisory Committee on Energy Supplies and Resources which had been submitted by the White House. In addition, the committee added section 7 delegating to the President specific authority to act with relation to the restriction of imports of certain commodities, which I understand to include petroleum. Under this provision the Director of Defense Mobilization, when he has reason to believe that any article is being imported in such quantities as to threaten or impair the national security, may so advise the President. Then, if the President agrees, he may cause an investigation to be made and, if the investigation supports the findings of the Director, the President is required to take such action as he deems necessary to adjust the imports of such article to a level which will not threaten to impair the national security."

"As a member of the Finance Committee, I supported this proposal as a substitute for various amendments providing limitations upon the importation of specific commodities, one of which amendments was the one which I had supported in regard to petroleum. I supported the proposal adopted by the committee because I was assured by those in the administration responsible for the administration of the trade-agreements program that if such amendment were adopted by the committee and by Congress action would immediately follow, and that imports of petroleum and its products would be definitely restricted."

"I was further assured that such restriction would be based upon the study previously made, to which reference was made by the committee; that the basis of the limitation would be in accordance with the recommendation of that study. This study indicated the necessity of limiting imports of petroleum and its products to an amount and in the relative position of the imports of petroleum in 1954 as related to domestic production of crude oil in 1954."

"I was further assured that the Director of Defense Mobilization would take the action indicated as necessary to adjust imports of petroleum and its products to the level and relationship of 1954."

"It is my judgment that, if these assurances can be supported by such further evidence as this body may think proper, we can all rely upon these assurances and that the importation of petroleum and its products will forthwith be limited to a relationship to our domestic production and in an amount equal to the 1954 position."

"Since the report of the Finance Committee, I have further explored this situation with administrative agencies charged with



the responsibility for the application of this program, and I can say to the Senate that again I have complete assurance of compliance of these agencies with the direction set forth in that amendment.

"Based on these assurances, I heartily support the report of the Finance Committee.

"There can be no doubt in my mind as to the intent of the committee, nor, do I believe, as to the intent of the Senate in regard to limiting the oil imports to the average daily imports of the year 1954, based on the report of the President's Commission on Energy Supplies and Resources Policy.

"I can assure the Senate that I would not have agreed to the amendment in H. R. 1, dealing with imports of commodities which are of national defense interest, had I not been assured that it would be the policy of those who administer the act to follow the intent of those who participated in preparing the report of the Advisory Committee.

"I think, as the senior Senator from Colorado [Mr. MILLIKIN], the ranking minority member of the Senate Finance Committee, stated yesterday, that we expect those in authority to administer this program on the basis of a limitation of imports; and if it develops, and we find that the program is not being so administered, then it will become the duty of the Senate Finance Committee, the House Ways and Means Committee, or individual Senators or Members of Congress to demand full compliance with this intent."

On the same date, Senator CLINTON ANDERSON, New Mexico, inquired of Senator CARLSON, as to the purposes of the substitute amendment. This discussion, from volume 101, part 4, page 5389 of the RECORD, is as follows:

"Mr. ANDERSON. As the Senator from Kansas knows, some oil is produced in my State, and the oil producers there are very anxious about this question of oil imports. At the same time I value the stand and the opinion of the Senator from Kansas very highly. Does he feel that the oil producers of my State would be justified in taking the assurances given as guaranties that the oil industry is not going to be disrupted by unusual and devastating amounts of oil imports?

"Mr. CARLSON. I am pleased to state to the distinguished Senator from New Mexico, who always follows closely the interests of not only the people of his own State, but of the people of the Nation, that had I not believed that the amendment we approved in committee, which was recommended by a very substantial vote, would protect the oil industry from ever-increasing imports, I certainly would not have voted to report the bill to the Senate, and I certainly would not be on the floor today stating I favored it and would vote for it.

"Mr. ANDERSON. I appreciate the statement of the Senator from Kansas, in whose State there have been oil operations of long standing. Some of us were somewhat worried by the situation, so far as reducing importations of fuel oil was concerned, because we felt it was crude oil which was causing a great deal of the trouble. At the same time, if there is only one amendment before the Senate, the easy and natural thing is to vote for the amendment, if it is in the interest and welfare of one's own State. With the proposal in the present language, I should like to ask the Senator from Kansas, for whom I have great respect, if he feels that, along with other Senators who come from oil-producing States, we are doing all we can be expected to do if we vote for this type of amendment.

"Mr. CARLSON. I will say to the Senator from New Mexico that I believe that this amendment will establish a standard on

which we can rely; that it will limit oil imports, as recommended by the Advisory Committee on Energy Supplies and Resources Policy, to 13.6, and we expect that recommendation to be carried out.

"Mr. ANDERSON. I thank the Senator from Kansas for that information. It is reassuring to me."

On May 3, Senator Price Daniel, Texas, and FRANK CARLSON, Kansas, discussed the substitute amendment. Their discussion from volume 101, part 4, pages 5309 and 5391 of the RECORD, is as follows:

"Mr. DANIEL. \* \* \* If imports are allowed to exceed the ratio they bore to market demand or production in 1954, the national security would be endangered. Is that not correct?

"Mr. CARLSON. I thoroughly agree with the distinguished Senator from Texas. It was for that reason that the junior Senator from Kansas and the junior Senator from Texas and many other Senators cosponsored an amendment making the limit 10 percent. I say very honestly and sincerely, had it not been that I was satisfied with the amendment adopted by the committee, after days and days of hard work and conferences, I would still have supported a limitation on oil imports of 10 percent.

"There is no question that excess importation will affect not only our national defense, but our economy, and it is important that we have an economy that is thriving and growing.

"Mr. DANIEL. Based on that evidence, is it the Senator's understanding that if oil imports should exceed the 1954 ratio, there would be injury to our national security?

"Mr. CARLSON. There can be no question about that.

"Mr. DANIEL. Was there any reason why the committee included the amendment at all, if the committee did not feel that the national security would suffer if oil imports were in excess of the 1954 ratio?

"Mr. CARLSON. As I said earlier in my remarks, the Finance Committee spent much time on this amendment and on other amendments dealing with quota imports and their effect on the national defense. We were seriously concerned about the matter. For that reason, we have assurances that those administering the act will act in accordance with the proposals submitted by the President's Advisory Committee on Energy Supplies and Resources Policy and the evidence submitted to our committee. I have no doubt of it.

"Mr. DANIEL. As a member of the committee, is it the opinion of the Senator from Kansas that a majority of the committee, which supported the amendment, intended that the necessary action be taken to keep imports from exceeding the 1954 ratio, which has been interpreted by the President's advisory committee as the ratio beyond which injury would be done to the national security?

"Mr. CARLSON. One reason why I say that is very definitely the opinion of the committee, or at least the intent of the committee, is the fact that the chairman of the Finance Committee included in the report of the committee a part of the Advisory Committee's report, which, after all, in my opinion, gives the intent of the Finance Committee.

"We expect the administrative agencies to carry out the intent of the Senate and of the Finance Committee; and I feel confident they will do so. In fact, I think I can say we had definite assurances that they intend to do so.

"Mr. DANIEL. A moment ago I understood the Senator from Kansas to say that, as a member of the committee, he has received such assurances.

"Mr. CARLSON. I have.

"Mr. DANIEL. I wish to say that I, also have today received such assurances. However, I think it is more important for us to consider the assurances made to the Senator from Kansas, who is a member of the Finance Committee. Further, he is a coauthor of the Neely amendment. Is that correct?

"Mr. CARLSON. That is correct.

"Mr. DANIEL. Since the Senator from Kansas was an original coauthor of the Neely amendment, I think his statement as to what the administrative official will do with the committee substitute for the Neely amendment is very important.

"I hope that action will be taken, and I am sure the Senator from Kansas will be one of the first to support enactment of a stronger provision requiring the reduction of excessive oil imports, if the administrative officials fail to carry out the intent of the amendment.

"Mr. CARLSON. There is no question about that.

"Mr. DANIEL. Does the Senator from Kansas understand that after the Cabinet report was issued, administrative officials expressed themselves to importing companies as feeling that the recommendations of the Cabinet committee should be followed, and that the importing companies should voluntarily cut their imports to the 1954 ratio?

"Mr. CARLSON. I think that is a very fair statement. As a matter of fact, during the hearings, when we had before us some of the presidents of and other witnesses representing the larger importing companies, I brought out the fact that I did not like to have imports limited by means of a rigid percentage basis, and that I hoped they would voluntarily make an effort to hold the imports within the limits set forth in the advisory committee's report. They assured us they would. So we are taking them on faith. If they do not do so, I assure the Senator from Texas that, insofar as I am concerned, I shall propose that action be taken to have them comply.

Mr. DANIEL. I should like to ask one more question, which may appear to be somewhat technical: As I understand, under the amendment the Director of the Office of Defense Mobilization would be the Government official who would report to the President that imports might be at such a ratio that they would endanger the national security.

"Mr. CARLSON. That is correct.

"Mr. DANIEL. Since the same official was on the Cabinet committee—as a matter of fact, he was chairman of the committee, was he not?

"Mr. CARLSON. He was.

"Mr. DANIEL. Since he was on that committee, and since his committee has already made one investigation and report as to a ratio of oil imports which would endanger the national security, is it the understanding of the Senator from Kansas that that official already has sufficient information to report to the President, and to justify action by the President under this amendment?

"Mr. CARLSON. Not only is it my understanding but it is most reasonable that should do so, and I so stated earlier in my remarks.

"Mr. DANIEL. In other words, there would be necessity now to make a further examination of the evidence, insofar as oil is concerned. If it continues to exceed the danger point there is no need for a new investigation.

"Mr. CARLSON. That is correct.

"Mr. DANIEL. I thank the Senator from Kansas."

On July 27, 1956, Senator Matthew M. Neely, West Virginia, and Senator FRANK CARLSON, Kansas, discussed the intent of Congress in adopting the defense amendment. The following excerpts are from the

CONGRESSIONAL RECORD, volume 102, part 2, pages 15022, 15023, and 15024:

"Mr. NEELY. \* \* \* White House bill No. 1, to extend the authority of the President to enter into reciprocal trade agreements, was before the Senate or its Committee on Finance in the spring of 1955. I offered an amendment to the bill to restrict petroleum imports into the United States to 10 percent of the domestic petroleum demand for the corresponding quarter of the previous year.

"When the bill and the proposed amendments reached the floor of the Senate in May 1955, the bill was passed but my amendment, which was supported by 38 Members of this body on a rising vote, was defeated, upon assurances from spokesmen or friends of the administration that if voluntary action by the petroleum industry should prove ineffectual the President would take immediate action to restrict imports to the 1954 level.

"The solemn pledges of immediate and decisive action by the President were given in support of a substitute amendment to the bill mentioned which gave the President specific authority to impose and enforce limitations upon oil imports. That substitute amendment was accepted by the Senate and became a part of the House bill No. 1.

"No one can read the debate on that substitute amendment, particularly the statements of friends and spokesmen of the administration, without reaching the conclusion that it was not merely permissive but directive. Certainly not even the most vigorous advocate of unlimited oil imports can or will deny that it was the purpose of the Congress to place drastic restraints upon this flood of foreign oil.

"The positive assurances that the President would act immediately to keep oil imports at their 1954 levels were given to the Senate by two of the most illustrious Republican Members of this body, the Senator from Kansas [Mr. CARLSON] and the Senator from Colorado [Mr. MILLIKIN].

"Mr. CARLSON. I do not want to break into the excellent statement the Senator is making. It is a statement which should be made. I was one of the cosponsors of Resolution No. 1, which would have limited the imports of oil to 10 percent. I think it can be very definitely stated that the Senate Finance Committee, which considered that proposal, decided that if we could work out a program of voluntary reduction of imports, to keep it within the 16.6 percent of the 1954 domestic production, it would be much better than to tie the hands of the administration by enacting restrictive legislation.

"I share the views of the Senator from West Virginia. I want to commend him for calling this matter to the attention of the Senate. We are now importing oil to the extent of approximately 20 percent of domestic production. I can assure the Senator that when I made the statement that he has quoted, I had assurance then and still contend they will be carried out. There is no doubt in my mind as to the intent of the Senate Finance Committee, and the United States Senate felt that oil imports would be held to the 16.6-percent level as recommended by the Presidential Commission on Energy Supplies and Resources Policy. I say to the Senator I still stand on that statement.

"I call that to the attention of the Senator from West Virginia and to the Senate for the reason that I am in full accord that if this does not result in limiting imports to 16.6 percent of domestic production, on which we had an agreement, I shall in the next session be urging legislation that will restrict imports by legislative or Congressional enactment.

Again, in view of my commitment to the Senate, that if oil imports are not voluntarily limited, I will press for enactment of legislation that will limit these imports."

#### FLIGHT OF THE OIL INDUSTRY

Mr. LONG. Mr. President, I ask unanimous consent that I may yield for a statement by the Senator from Wyoming [Mr. BARRETT].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARRETT. Mr. President, I congratulate the senior Senator from Louisiana for his efforts on behalf of the domestic oil and coal industries of this country.

In recent years excessive imports of crude petroleum and residual fuel oil as well as oil products have seriously and adversely affected our domestic petroleum and coal industries. When the Senate considered the extension of the Reciprocal Trade Agreements Act 3 years ago, an amendment to limit oil imports to 10 percent of domestic demand was proposed. As a compromise, the Senate adopted an amendment to that act designed to limit imports of petroleum to the level established by the ratio imports bore to domestic production in 1954. In 1954 crude imports represented a little over 10 percent of our domestic production, whereas today it represents over 14 percent. In the case of residual oil, the 1954 ratio was 5.6 percent, compared to 9.4 percent today. The increase in oil products is even worse, from six-tenths of 1 percent in 1954 to 1.6 percent today. The oil industry in Texas can produce only 9 days a month. The industry in my State has been forced to cut down its production to a great extent. The oil business is one of the major industries in my State, and because of the cutback in production and exploration the economy of Wyoming has been adversely affected. The same is true about the coal industry. In 1952 about 128 million barrels of residual oil were imported into this country, which is equal to about 30 million tons of coal. In 1957 these imports increased to 164 million barrels of residual oil, or the equivalent of 39 million tons of coal. A considerable portion of the residual fuel oil imported into this country has been processed again in our refineries and is in competition with crude oil produced in this country. Thousands of men have been thrown out of employment in this country in both the coal and the oil industries as a result of these excessive imports.

I believe that we need an amendment to the Reciprocal Trade Act which will implement the voluntary program and make it possible to control imports in a more adequate fashion, particularly insofar as the importation of residual oil and oil products is concerned.

I commend the distinguished Senator from Louisiana for his leadership in this field. I hope he can prevail upon the Finance Committee of which he is a member to insert language in the bill which will achieve this objective.

Mr. LONG. I thank the Senator from Wyoming. Of course, he knows that the present program is not at all

adequate. If the present tendency continues for another 15 years, there will not be any American oil industry. As the Senator knows, if the producing industry goes, it will not be long before the refineries, as well, are gone. As a matter of fact, the major companies are moving refineries to foreign countries—not that they are presently closing down refineries here, but they are building their new capacity overseas.

Mr. BARRETT. I agree with the Senator. Imports have not only caused the refineries to curtail their operations because of the cutback in domestic production but it has caused a decline in our reserves.

The drilling operations in 1957 dropped 7.4 percent which represented a decline of about 7,500 wells below the average for the past 10 years and, as a result, our petroleum reserves were not maintained because domestic exploration and drilling were discouraged. As a matter of fact, our reserves have dropped for the first time since World War II when we were producing to the limit in the war effort. That is a very discouraging factor confronting the industry today, and the country as well. So it seems to me that from the national security standpoint, something must be done to relieve the situation.

Mr. LONG. The Senator well knows that any nation, in order to be able to defend itself, and to fulfill defense commitments made to other nations, must be in a position to supply its requirements of fuel at all times. Any nation which must depend upon uncertain foreign sources is left without the ability to defend itself if those sources are cut off. This Nation has recognized that fact in the past.

It seems to me that it should not be necessary to rise on the floor of the Senate and demand that we protect and preserve our fuel industry, because the national defense requires that fuel be available at all times to supply our emergency needs for fuel; and the only way to have it available is to use it in peacetime as well as in wartime.

Mr. BARRETT. I believe the terrific increase in the importation of crude oil and oil products, as well as residual fuel oil, affects peculiarly that segment of the industry known as the small independents.

Last year about 13,500 wildcat wells were drilled of which about 80 percent were credited to independents. It is estimated that 75 percent of the oil discovered in this country has been found by these small independents who are the backbone of the American oil industry. The oil and gas business affects the well-being of more people than any other industry except those concerned with food and clothing. We need a strong and healthy oil industry not only to maintain a sound domestic economy but also, and even more important, for national security purposes.

Mr. LONG. I agree with the Senator.

Mr. SCHOEPEL. Mr. President, first I wish to compliment the Senator from Louisiana on his fine statement. I am a cosponsor with him of the amendment he is discussing. It is a very important



amendment. The Senator from Louisiana will recall that it was a little more than 2 years ago that the distinguished and now departed Senator from West Virginia, Mr. Neely, offered an amendment to a measure to limit the importation to about 10 percent. Unfortunately, that amendment was not adopted, because there was a feeling the matter could be worked out on a voluntary basis. I am sure the Senator agrees with me that the reason he has offered the amendment, of which I am very happy to be a cosponsor, is that we could not and cannot rely strictly on a voluntary arrangement or agreement to effect what should be effected. Does the Senator concur in that statement?

Mr. LONG. I agree with the Senator. There are a number of major oil companies, with large installations in the State of Louisiana, which favor an increase in the importation of oil because they make great profits out of it. That is because they have large holdings in foreign countries. I am sure that an executive of any one of those companies, if he wanted to be fair, would be the first to admit that our country cannot depend on their companies, through their overseas refineries and overseas wells, to save the United States Government in the event that we have to go to war to fight for our survival, or if we have to undertake a major effort to fulfill defense requirements which we have made on a worldwide basis.

The Senator had some idea of the situation when he observed the great panic which struck France and England during the Suez crisis when they realized that their supply of oil had been cut off. Fortunately, they could look to the United States. If the United States were in a situation where it could not supply its own requirements, it would indeed be in a very desperate situation, and we would feel the same panic, and would be inclined to take the same kind of rash action that any nation in a desperate situation would take. So long as this nation can have available its own requirements of fuel, we can act with great confidence and strength in doing what we can to preserve peace and freedom throughout the world.

Mr. SCHOEPEL. The Senator has stated the situation very well. Later in the day I shall speak further on this matter as a cosponsor of the amendment.

Mr. LONG. I thank the Senator.

Mr. MONRONEY. Mr. President, I wish to commend the Senator from Louisiana on the preparation and submission of his very important amendment, and his comments on it. Certainly all of us must be concerned with the problem of providing an adequate supply of petroleum products for the use of our Nation. We know that Russia has a large number of submarines. We know the difficult situation involved in bringing oil through the Suez Canal or around Africa. We know that in the event of war, it would be 10 times as difficult to ship oil by tanker than it was during World War II, even along our own eastern seaboard. We know of the great loss of shipping and the large number

of casualties we suffered during the Second World War. They necessitated the construction of the Big Inch pipeline. We could not move oil even along our own coastline. We could not ship it to where it was needed during World War II because of the submarine threat. According to the information I have received, the submarine threat during the Second World War is only about one-third of what we would face today from Russian submarines, in the event we had to import oil into our country.

We all know that it is only when the independent oil producers have an adequate share of the domestic market—and it is largely the independents who find the oil and bring in new fields—can oil become available. It is only by these means that petroleum can be constantly made available to replace the supplies which are being exhausted. I believe the problem deserves serious and careful consideration by the Committee on Finance. I certainly compliment the distinguished Senator from Louisiana for the forthright manner in which he has brought the matter before the Senate.

Mr. LONG. I thank the Senator.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MARTIN of Pennsylvania. Mr. President, has the distinguished Senator from Louisiana given any consideration to the thought that we are probably doing a great injustice to many foreign countries which are producing oil, because we are taking what we might call the cream of the production? I come from the State in which oil was first produced. Many of the wells were abandoned after the cream of the oil had been taken out of them, instead of being allowed to continue to produce. There is still as much oil in the sands in those wells as when the wells were originally discovered and brought in. What I am wondering is whether the distinguished Senator has given any thought to the suggestion that we are probably being unfair to the foreign countries which are in flush production by taking off the cream. There will be a great deal of oil left in the sands, but it will never be utilized. In my own State we have a number of great oilfields where wells were abandoned, although geologists now tell us there is as much oil left in the sands as when oil was first taken out of them. However, they will never be operated again. I wonder whether the Senator has given any thought to that situation.

Mr. LONG. The Senator from Pennsylvania knows that we have had some testimony before the committee on that point, and that this Nation is one of a very few nations—with the exception of Canada, we may very well be the only Nation—which requires its oil to be developed with all proper precaution for conserving the resource. In most other nations, particularly those from which we import oil, the wells are being pulled so hard that most experts feel that the operations will tremendously reduce the ultimate recovery of oil from those sands. While I do not have the exact figures, I believe everyone will agree that it is

definitely not in their best interests to produce oil in that fashion.

Mr. MARTIN of Pennsylvania. I believe that is a matter to which we, as Americans who are interested in the development of the natural resources of the world, and who do not want to see them wasted, should give serious thought. I wonder whether the Senator agrees with me.

Mr. LONG. We should certainly give some serious thought to it.

Mr. O'MAHOONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. O'MAHOONEY. I should like to compliment the Senator for the presentation he is making today of a very serious defense problem.

It is only necessary to remember that Lebanon is at this moment the center of strife which might easily spread into a conflict covering the entire Middle East. The city of Tripoli in Lebanon, in which there has been fighting between dissident factions, one of which is supported by Soviet Russia, is the terminus of a pipeline transporting oil from the northern part of the Middle East to the Mediterranean Sea.

It requires no imagination to realize what would happen to that pipeline if war were to break out in the Middle East. We also know that Soviet submarines have been able to sail through the Bosphorus into the Mediterranean.

Since Nasser has been in control of the Suez Canal, the submarines have also gone through the Suez Canal. Those submarines are known to our defense experts to be far more efficient and dangerous than the submarines of Hitler during the Second World War. During World War II, Hitler's submarines were able to torpedo many American tankers, and many tankers of other nations, too, I understand, which were transporting oil from South America to the Atlantic coast of the United States.

There is no doubt that if there should be a war, submarines could blockade the United States and prevent our receiving supplies of Middle East crude. Of course, it is very natural to expect the importing companies to realize, if they can, upon the profit which can be made by bringing in oil which can be produced at a low price and sold to meet the demand in the United States—and a great demand still exists in the United States. But that oil can be brought in to the United States in such a manner as seriously to handicap the domestic oil industry.

Predictions have been made for 30 years that the continental American sources of supply of petroleum were about exhausted. Those predictions were all wrong. Drilling has gone deeper and deeper and deeper. More oil has been discovered. But we now are at the time when the demand for oil in the United States is greater than it ever has been before. The reserves are not being built up so rapidly as they used to be built up.

It is highly important that we follow a policy which will stimulate the exploration for new oilfields in the continental United States, so that we will

not lose the expert know-how of the drillers for oil, the oilworkers, who, if they are subjected to the competition which will result under the voluntary plan, will go into other industries, thus depriving us of their know-how.

I am happy to have had the opportunity to associate myself with the junior Senator from Louisiana in the offering of the amendment which he has presented. I think it is worthwhile to note that 18 Senators have joined in the cosponsorship of the amendment. Nine of them are Democrats; nine are Republicans. So we have a perfect bipartisan amendment, sponsored by Senators who realize that the production of domestic oil is of great importance to the United States. I am happy to be associated with the Senator from Louisiana.

Mr. LONG. I thank the Senator from Wyoming.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MONRONEY. I was not present when the Senator began his excellent speech; but as I understand the amendment he proposes the quotas which would be allocated to overseas production would not be frozen on a barrel basis. We would freeze the percentage of the market which existed at the time when the President's Committee on Fuel made a unanimous report finding that the ratio which existed in 1954 was the maximum which could be accepted from abroad without endangering the continuing discovery and development of our own petroleum resources.

Mr. LONG. The Senator from Oklahoma is entirely correct. Three years ago I voted against an amendment which would have, at that time, frozen the amount of oil imports into this country at a fixed figure. Today I sponsor an amendment to accomplish a similar objective. I believe that anyone who has studied what has happened between those two dates will conclude that if we want to be a strong and secure Nation, it will be necessary to adopt an amendment which will protect the American oil industry now.

When the President appointed his committee, he did not appoint a committee from the oil-producing States; he appointed a committee from his own Cabinet, representing the entire Nation, to determine at what level of production the United States could afford to import oil without endangering the national security. That committee determined the level to be 16.6 percent.

Subsequently we are seeing the imports exceed that level by 50 percent, threatening not only to destroy the domestic oil industry, but also to undermine completely the defense capacity of the Nation itself.

I believe the facts which have been developed during the last 3 years prove that any Senator would in good conscience do what the Senator from Louisiana has done. If he was against such a provision before, he would yet support it today, because the facts which have developed demonstrate the need for it.

Mr. MONRONEY. Is it not true that the men who impartially studied the re-

quirements of America and the military necessity for maintaining a defense base of petroleum supplies at that time did not come from the oil-producing States, but represented the consuming areas? To my knowledge, none represented the States which are the producers of a large part of our oil.

Mr. LONG. I have not analyzed the matter on that basis, but I feel certain that the majority of the committee came from consuming States.

Mr. MONRONEY. I think the Senator from Louisiana will agree that should the consumption of petroleum in the domestic market double in the next 10 years, then the number of barrels which could be imported into the United States compared with the 1954 base, would likewise double.

Mr. LONG. Yes.

Mr. MONRONEY. They will be given a percentage of the increasing share in the domestic market. So the proposal will not work unfairly. It will not result in a rigid ceiling beyond which imports cannot go. The amount will be held at a steady ratio, a ratio found after careful study to be the maximum penetration of the domestic market which can safely be yielded to overseas production.

Mr. LONG. The Senator is entirely correct.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Kansas.

Mr. CARLSON. I desire to commend the Senator from Louisiana [Mr. Long], together with several other Senators who have sponsored an amendment to further limit the importation of oil and oil products.

I did not cosponsor this amendment, but I am not only concerned about the ever-increasing oil imports, but am going to insist, during the consideration of the extension of the reciprocal trade agreements by the Finance Committee, that this industry, which is so important to our economy and our national defense, be given additional protection.

Extended hearings are being held on the bill to extend the Reciprocal Trade Agreements Act, as approved by the House of Representatives some weeks ago.

Three years ago, when the Reciprocal Trade Agreements Act was before the Senate Finance Committee, of which I am a member, for consideration, the committee wrote an amendment known as section 7—the defense amendment—which proposed the curtailment of oil imports. The amendment was approved by the Senate Finance Committee and the full Senate after careful deliberation.

It was approved after full assurances were given by those whose responsibility it would be to administer the act that this amendment would result in a reasonable balance between imports of these materials and domestic production.

These assurances were given to me by those in high places in the executive branch of government. On the basis of those assurances, I voted for the 1955 extension. I urged others to do the same,

and I believe some acted on my advice based on the assurances I had received.

That was 3 years ago. Since that time the Government has recognized the specific problem of petroleum imports by establishing a voluntary oil import program. This program has resulted in reducing the amount of oil imported into the United States.

It has been reviewed four times in the past year, and in each instance the level of imports has either been reduced or the program has been expanded.

Under this voluntary program, progress has been made to limit the amount of crude oil imported into this country.

However, the program fails to go far enough, in that it has not carried out the intent of this body to limit petroleum imports to the ratio which they had in 1954 to domestic production.

At the time of the passage of the Trade Agreements Act extension in 1955, I had definite assurances that such imports would be held to that level, which, incidentally, was determined by the President's Advisory Committee on Energy Supplies and Resources as necessary for our national security.

I was assured that the Director of Defense Mobilization would take action necessary to adjust imports of petroleum and its products to their relationship of 1954.

During the discussion on the floor of the Senate 3 years ago I stated that, should the defense amendment not be administered so as to limit the flow of petroleum imports to the 1954 ratio, then it would become the duty of the Senate Finance Committee or individual Senators to demand full compliance with this intent of Congress.

That time has come. Petroleum imports have never been held to the 1954 ratio since that time, despite the actions taken by the administration to voluntarily hold down crude-oil imports. Not until last month was any effort made to limit the importation of petroleum products, and even this action which dealt with unfinished gasolines and unfinished oils covers only about 2 percent of total imports. This, of course, was not a cutback in the original quotas on crude oil permitted under the voluntary program, but was merely intended to serve as a plug in the trends toward circumvention of the voluntary program through importation of unfinished oils.

In spite of all that has been done by the Government, according to estimates furnished me which are based upon reports of the importing companies filed with the Texas Railroad Commission, the outlook for the third quarter of this year is that imports of petroleum products will exceed 600,000 barrels daily, which represents an increase of 40 percent over the third quarter of 1957 and an increase of 100 percent over the third quarter of 1954.

As a result of this rather alarming rate of increase, we are now being urged to write legislation that would establish quotas on product imports.

I wish to emphasize that, although there is a difference between the assurances given me and other Members of Congress at the time of the passage of the



defense amendment and the results achieved to date through the administration of that amendment, I do not in any way imply a reflection on the sincerity of those who made those assurances.

I felt then, and I still do, that those who told me that administration of the amendment would be such as to carry out the intent of the Congress as expressed in the report of the President's Advisory Committee were completely sincere.

I believe, however, that the practical job of carrying out that intent has been more difficult than they expected.

I recognize there are other considerations, such as American foreign policy and the effect imports limitations have on that policy. However, there is no consideration which overrides national security. If this Nation's strength is not grounded on a sound domestic petroleum industry, then in times of emergency there will be no strength.

We cannot allow ourselves to become dependent upon foreign sources of oil which, at best, are unreliable and, at worst, would be subverted against us. We need no other example of the need for a strong domestic petroleum industry than the Suez crisis of 1956 and 1957. Had Britain and France not been dependent upon Middle East oil, there would have been no reason for them to send troops against Egypt.

Had the United States been as dependent upon Middle East oil as Britain and France, American soldiers would have been involved. Because the United States had a dependable supply of petroleum which could be speedily furnished our allies in their time of need, they were free to break off the engagement and seek a more peaceful solution.

Those allies had the assurance of an ample supply of petroleum when needed. Had that supply not been available, it is possible world war III would have resulted.

I agree with the President of the United States on the importance of extending the existing authority of the trade agreements program. I believe this program can be endangered, however, by a lack of sufficient safeguards for our own industries.

Products essential to our national security can be treated differently and effectively within the trade agreements program to assure us that security which we must have.

We cannot as a nation take the risk of placing ourselves at any disadvantage in our struggle with those who would destroy us. To fail to assure ourselves of adequate supplies of petroleum at a time when those supplies would be needed most would be to jeopardize our entire security.

Of what value are the billions we appropriate for rockets, missiles, guns, and ships if we do not have the necessary fuel to operate and transport these defense materials to the needed areas of operation?

Of what value would the United States be to its allies if it were unable to maintain its own security? We have heard many times that the hope of the Free World lies within the strength of the United States. If we were unable to

respond to our allies' needs because of a lack of fuel, that hope would wither and die like a flower in a dried-up riverbed.

Present law—the defense amendment—provides for this security as to petroleum. However, under its present administration, it obviously leaves responsibility for the success of the imports program—and thus our security—in the hands of individuals outside Government.

Section 7 of the Trade Agreements Act still lacks the necessary guides for clearly requiring that responsibility should be kept in the hands of the President. It must be strengthened so that the intent of Congress in 1955 will not be circumvented.

As I stated a few moments ago, the intent of the Congress in 1955 was that petroleum imports would be limited to the ratio which they bore to domestic production in 1954. That intent was supported by assurances from high administration officials that this would be done under the defense amendment.

To date it has not been done.

As a result, domestic oil exploration and production activity is depressed, with imports increasing at a faster rate than domestic operations.

In 1954, total United States crude oil production averaged 6,342,000 barrels daily. Total crude and refined product imports averaged 1,052,000 barrels daily, or 16.6 percent of domestic production.

By 1957 total imports had increased to 1,570,000 barrels daily, an increase of 49 percent over 1954, while crude production had increased only 13 percent to 7,169,000 barrels daily. The ratio of imports to production had increased to 21.9 percent in 1957.

The situation has grown considerably worse in 1958. It is now estimated that for the first 6 months of 1958, total imports will average 1,560,000 barrels per day and United States crude oil production 6,460,000 barrels per day. Compared with the year 1954, imports have increased 48 percent and production less than 2 percent. The ratio of imports to production, which I was assured would be maintained at the 1954 level, has increased from 16.6 to 24.1 percent.

In my own State of Kansas, domestic production in 1954 was 327,000 barrels daily. In 1957 that production was 333,000 barrels, or a mere 1.8 percent above the 1954 level.

Total well completions in 1954 were 4,722, whereas in 1957 this facet of oil production had declined to 4,232, a reduction of 10.4 percent.

For the United States as a whole, total well completions in 1954 were 53,930, compared to 53,838 in 1957. The number of exploratory crews active in the year on which the President's Advisory Committee based its recommendations for maintaining petroleum imports was 713. In 1957, this activity had declined to 580.

Although it is recognized there is no magic formula as to any one year, it is obvious, from the activity of the domestic petroleum industry since 1954 that the Advisory Committee recommendation was a sound one. This decline trend certainly emphasizes the effect excessive imports have on a domestic industry and

makes imperative corrective action by Congress.

The present voluntary program which depends upon the cooperation of all the importing companies to limit their imports to the levels suggested by the Government, has been ably administered. In most cases that cooperation has been evident. In several instances, however, importing companies have not complied until some means of enforcement were placed in the program.

Now, I understand, action has been taken which clouds the entire program with doubt as to its legality. A suit has been filed by one of the importing companies after the Government refused shipment on a products contract because the company's compliance with the program was in doubt.

With this doubt now cast on the voluntary program as established under the authority of the defense amendment, it is imperative that the Senate Finance Committee take whatever action is necessary and write whatever language is needed to see that the intent of the defense amendment approved in the 1955 act be carried out in the best interests of the Nation.

Mr. SCHOEPEL. Mr. President, I rise to speak in support of the amendment to the Trade Agreements Act, which earlier today was submitted by the Senator from Louisiana [Mr. LONG] on behalf of himself and 17 other Senators of whom I am one.

Recently the House of Representatives gave its approval to the President's request for a 5-year extension of his powers to enter into trade agreements.

At the outset, let me say that I agree with the objectives we are attempting to achieve through a reciprocal-trade program. But reciprocal trade is a two-way operation. Frankly, I am concerned with certain phases of this legislation and the effect this program has had on certain small businesses and other phases of our economic life.

Personally, I do not intend to ignore my obligations as a United States Senator and the responsibilities I have to protect what I consider to be the best interests of my country.

At a later date I shall have more to say about this matter. Today I desire to address myself only to the program as it relates to the oil industry.

I am in general agreement with those who advocate extension of this program in furtherance of our Nation's responsibility to seek a strong Free World and the defense of our country.

I believe with equal sincerity that we must constantly and jealously guard that responsibility and the strength to respond to it. In order to do this, however, we must maintain a defense force constantly vigilant and sufficiently able to defend our country.

Also, we must have sufficient economic strength to meet the needs of our allies and to carry out our commitments under the President's trade program. We can do neither if we are not secure in our natural resources.

I fear that in one area in particular—namely, the defense amendment—the program does not go far enough to pro-

vide affected domestic industries with the assurances they must have if they are to do the job necessary to be done in order to maintain our security and thereby help insure the security of the Free World.

Many of my colleagues will remember that when the Trade Act was before us in 1955, the Senate wrote into the trade law the defense amendment.

There were then many of us who felt that if we were to maintain our national security in the field of petroleum, it was necessary to hold crude oil and petroleum product imports to 10 percent of domestic production. However, with repeated assurances from those high in the executive branch of our Government that the defense amendment would be used to limit oil imports to the level established by the President's Advisory Committee on Energy Supplies and Resources Policy the year before, the measure was approved.

I did not believe then that a voluntary oil program would work; and time has proved me right.

I joined, therefore, with the late Senator Neely, who submitted an amendment to place a reasonable limit upon importations of foreign oil. I felt then that unless reasonable restrictions were imposed, our independent producers of oil—not the major companies, which own practically 90 percent of the foreign oil resources of the world—would suffer from foreign competition.

The President's Advisory Committee, composed of Cabinet members, gave long and serious consideration to the question of what was needed to maintain our national-defense base. As for petroleum, the Committee determined that crude oil and petroleum product imports in excess of the ratio which they bore to domestic production in 1954 would threaten our national-defense base.

That is the background and the basis of the Government's present voluntary program to limit imports of crude oil and a few petroleum products. This program represents a recognition by the executive branch that such imports can impair a national-defense industry.

This program has brought about a reduction in the level of imports, but it fails to carry out the intent of this body when it adopted the defense amendment to hold petroleum imports to their 1954 relationship.

Keeping in mind the fact that the primary purpose of the defense amendment is to maintain a strong domestic petroleum-producing industry, and not merely to limit imports, per se, to any one standard, let us look at what has happened to that industry since 1954, the year of the Advisory Committee's report.

In 1954, the domestic industry produced an average of 6,342,000 barrels of crude oil daily. Total imports during that year averaged 1,052,000 barrels daily. During the first half of this year, domestic crude-oil production averaged 6,460,000 barrels daily, and total imports averaged 1,560,000 barrels daily. In other words, while domestic production increased 118,000 barrels a day, imports increased more than 500,000 barrels a day.

Immediately the question comes to my mind, "Cannot the domestic petroleum industry produce enough to supply our domestic demands?"

The facts prove it can. During the first 6 months of this year the domestic petroleum industry was maintaining a shut-in producing capacity in excess of 3 million barrels a day. This is oil that cannot be produced, because there is no market available.

From 1943 to 1945, while I was Governor of Kansas, I was privileged to become Chairman of the Interstate Oil Compact Commission. This organization has as its primary concern the conservation of one of our basic natural resources, petroleum.

During that time I became familiar with the ramifications of the conservation practices adopted by the various States, including my own State of Kansas.

I was impressed with the sincerity of purpose of those people whose responsibility it is to see that this Nation maintains a continuing supply of petroleum. I was also impressed with the effect imports can have on those conservation practices.

In taking into consideration the avoidance of waste in the domestic industry, those conservationists must determine the total supply available to the United States as a whole, and what part of that total supply should come from domestic wells.

If oil from sources outside our own borders takes over an increasingly larger share of that total supply, then they necessarily must restrict domestic producers, in order not to contribute to wasteful conditions.

If these imports are left to the economic dictates of individual companies, then eventually the actions of the conservation commissions are nullified, and there is no more market for the domestic producers.

We have been told that some of our "friends" overseas are displeased with us because of the present "voluntary" limitations on oil imports. We have been warned to expect reprisals from those "friends" if further restrictions are made.

While our current production is restricted to a level of 118,000 barrels daily above the 1954 level, production in Venezuela, where our Vice President was attacked, increased in 1957 by 884,000 barrels a day over 1954.

During that same time production in the Middle East, on which our own Department of Defense has admitted we cannot rely even in peacetime, was increased 800,000 barrels a day over 1954.

As to our neighbors to the north, even before the "voluntary" program was put into effect last June, importing companies whose source of supply previously had been Canada, were switching from Canadian imports to Venezuela and Middle East oil.

When the Senate passed the defense amendment in 1955, it believed, after assurances from the executive department, that it was providing means for adequately assuring the domestic petroleum industry a sufficient share of its own market to encourage it to continue

to expand at a rate commensurate with the growth in demand for its products.

I repeat, this has not occurred. Thus, further action must be taken to attain this goal.

With conditions such as these prevalent in one segment of our economy, I do not wonder that I am continually reading of increasing concern over the path of our entire economy. In matters as grave as the economic well-being and security of the Nation, our actions must transcend partisanship in the interest of the Nation as a whole.

In closing, I want to commend the junior Senator from Louisiana [Mr. Long] for submitting the amendment which he intends to offer to the important measure which the Senate will consider in the next few days. Hence, what I shall have to say will be in support of that amendment, as a cosponsor of it.

#### AMENDMENT OF SHIPPING ACT OF 1916

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the present consideration of Calendar 1743, Senate bill 3916.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3916) to amend the Shipping Act of 1916.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, on page 1, at the beginning of line 11, to strike out "this Act" and insert "this Act, unless and until such regulatory body disapproves, cancels, or modifies such arrangement in accordance with the standards set forth in section 15 of this Act", so as to make the bill read:

*Be it enacted, etc.,* That section 14 of the Shipping Act, 1916, is amended by inserting at the end thereof the following: "Provided, That nothing in this section, or elsewhere in this act, shall be construed or applied to forbid or make unlawful any dual-rate contract arrangement in use by the members of a conference on the effective date of this amendment, which conference is organized under an agreement approved under section 15 of this act by the regulatory body administering this act, unless and until such regulatory body disapproves, cancels, or modifies such arrangement in accordance with the standards set forth in section 15 of this act. The term 'dual rate contract arrangement' as used herein means a practice whereby a conference establishes tariffs of rates at two levels, the lower of which will be charged to merchants who agree to ship their cargoes on vessels of members of the conference only and the higher of which shall be charged to merchants who do not so agree."

Sec. 2. This act shall be effective immediately upon enactment and shall cease to be effective on and after June 30, 1960.

Mr. MAGNUSON. Mr. President, this is a bill which requires some explanation for the RECORD. It involves a technical question. The bill itself is a temporary measure, designed to prevent the disruption of a shipping rate procedure which



has been in operation the world over for more than 60 years.

A suit was brought by one steamship company, and the Supreme Court, in a recent decision, stated that the practice under the Maritime Act and the confidences was technically illegal, but suggested that Congress amend the law. The Court went into great length in saying that this is a practice which has been going on in the maritime world for more than 60 years. So the pending measure is merely a temporary measure to maintain the situation in status quo until Congress can consider the question. Bills have been introduced in both the House and Senate, and hearings are to be held on the entire question.

It would seriously affect the operation of American vessels to abandon at this time the so-called dual-rate system, because the cost of American vessels averages from 2 to 4 times the cost of foreign vessels. Consequently our shipping would have two strikes against it if some kind of crazy-rate war were to occur.

The Supreme Court suggested that Congress amend the law. The decision was divided. The minority opinion goes into great detail. The purpose of the bill is only to create a moratorium for 2 years, until the committees of Congress can go into the entire question of maritime shipping and maritime rates, as well as the common practices which have been going on for more than half a century.

The bill has the unanimous approval of the Senate Committee on Interstate and Foreign Commerce. I understand that a similar bill has been reported from the House Committee on Merchant Marine and Fisheries with unanimous approval, and that it is on the House Calendar for early action. The bill before the Senate is a sort of emergency measure.

**THE PRESIDING OFFICER.** The question is on agreeing to the committee amendment.

The amendment was agreed to.

**MR. MAGNUSON.** Mr. President, I ask unanimous consent to have printed in the RECORD at this point a more complete explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT ON S. 3916, DUAL RATE STOPGAP BILL

S. 3916 is a temporary measure, designed to prevent disruption of the one proven procedure developed by the steamship conference of the world over the past half century to prevent ruinous freight-rate wars that would be particularly damaging to United States-flag shipping.

As Senators are aware, the cost of operating an American vessel averages 2 to 4 times costs of a competitive foreign vessel. Consequently, our shipping would have two strikes against it in any rate war. Our ships couldn't possibly compete, and survive, in such an event.

The situation caused by the Supreme Court's majority decision that one of the hundred-odd conferences is illegal, is of tremendous concern to the shipping industry, with its hundreds of millions of dollars presently invested, and other hundreds of millions firmly committed for the replacement of aging merchant fleets. Some of the largest exporting firms and industries, as well

as many smaller firms, are greatly concerned as well.

For this reason this bill asks a moratorium of 2 years during which time the result of the Supreme Court's decision can be studied, hearings can be held, and procedures developed for meeting the situation. The dual-rate system has been in use for nearly half a century, and has won the approval of the Maritime authorities responsible under the 1936 act for fostering the development and maintenance of adequate shipping to serve the Nation's needs in peace and war.

Twice before, the Supreme Court has refused to strike down the dual-rate system. Certainly now, when our vessel operators see their vast investments threatened, it seems reasonable to permit continuance for 2 years of a system that for more than 40 years has gone almost unchallenged. To do otherwise may cause irreparable harm to this industry which is so important to America's prosperity and security.

**THE PRESIDING OFFICER.** The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3916) was ordered to be engrossed for a third reading, read the third time, and passed.

#### THE DISABLED AMERICAN VETERANS

**MR. JOHNSTON** of South Carolina. Mr. President, as a life member of the DAV, I receive its national publication, the Disabled American Veterans Monthly, which is sent to all its members, to keep them informed about all developments which may affect the welfare of America's disabled war veterans and their dependents.

In a recent issue, I noted the statement made by Paul E. Frederick, Jr., national commander of the DAV, before the members of the House Committee on Veterans' Affairs. A wounded veteran of World War II, Commander Frederick emphasized the fact that only Americans who have been either wounded, gassed, injured, or disabled by reason of serving actively in the Armed Forces of the United States, or in those of some country allied with it, during time of war, are eligible for membership in the DAV. The DAV is, therefore, one of America's most exclusive organizations. It is the only organization whose membership is limited to Americans who have sacrificed parts of their bodies or their health on its behalf in its Armed Forces during time of war.

Formed in 1920, and Congressionally chartered in 1932, the DAV is a one-purpose organization which specializes in extending much needed rehabilitation service to, for, and by America's disabled war veterans. The DAV is recognized, in several laws enacted by the United States Congress, as the official voice for America's disabled defenders.

Commander Frederick emphasized the fact that during the last 10 years the full-time DAV national service officers, located in the regional, district, and central offices of the United States Veterans' Administration—which donates office space for their convenience—succeeded in procuring additional benefits for disabled veterans and their depend-

ents in the total sum of more than \$181 million, at a cost to the DAV of \$12,-197,648.51.

During that 10-year period, the DAV's nationwide staff of full-time national service officers reviewed 3,453,604 claim folders, made 1,382,863 appearances before rating boards, and obtained 537,367 favorable awards, including 99,054 for those with service-connected disabilities, and 225,493 compensation increases.

Such invaluable rehabilitation service was extended without any charge whatsoever to the disabled veterans who received benefits therefrom, although an estimated 85 percent of them were not DAV members. This is indeed a strange situation, particularly when we note that less than 10 percent of the approximately 2 million compensated disabled war veterans are members of the DAV. Moreover, all other compensated disabled veterans have also been very substantially benefited by reason of the DAV's many legislative attainments.

The DAV was the first veteran organization to go on record, at its 1941 national convention, urging Congress, first, to increase basic rates of compensation in accordance with increases in the cost of living, and second, to provide dependency allowances for all compensated disabled veterans—objectives which, at that time, were thought by most persons, to be unattainable. Nevertheless, a 15 percent increase in the then basic rate of \$100 for permanent total disability was provided by Congress in 1944, with proportionate increases for disabled veterans with lower ratings. Since then, there have been four additional increases in the basic rates of compensation. Dependency allowances were finally provided for veterans who are disabled to the degree of 50 percent or more; but they have not yet been provided for those with lower ratings. Provision for the latter group is an important objective of the DAV under the direction of its national legislative director, Omer W. Clark, former Deputy Administrator of the Veterans Administration, and his busy assistant director, Elmer Freudenberg, also a former VA official, with offices in the DAV national service headquarters, 1701 18th Street NW., Washington 9, D. C.

The many legislative liberalizations, since World War I, in the benefits for service-disabled veterans, were enacted into law primarily by reason of the advocacy thereof by the DAV. In fact, some liberalizing legislation pertaining to disabled veterans or their dependents has been enacted by every session of the Congress since the termination of World War I.

Judging by what failed to happen following our wars prior to World War I, such liberalizing laws for improved benefits for our service-disabled veterans and their dependents would not have been enacted if the collective voices of the veterans had not been heard through the DAV.

It is very significant that following the Civil War, and again following the Spanish-American War, very little liberalizing legislation pertaining to the service-disabled veterans of those wars was then

enacted—probably because of the fact that there was then no organization composed exclusively of the war's wounded and disabled veterans.

Because of the distress of the increasing scores of thousands of such disabled veterans who were unable positively to prove the service connection of their disabilities, a general pension system was finally enacted about 25 years after the Civil War. It provided Civil War veterans with pensions on the basis of attained ages or degrees of disability, without regard to the service origin of their injuries. Because of a similar situation, similar legislation was enacted about 20 years after the Spanish-American War, for the benefit of the veterans of that war. Periodic liberalizations in the general pension rates soon made it advantageous for the veterans with service-connected disabilities to elect to shift to the general pension system.

This has not yet occurred in the case of disabled veterans of World War I and of World War II, probably largely because of the fact that Congress has been kept aware—by the DAV—of the fact that it is a primary obligation of the Federal Government first to provide adequately for Americans who have sacrificed parts of their bodies or their health in the service of their country in its Armed Forces in time of war. As the official voice of America's disabled defenders, the DAV, with the cooperation of its bigger brother veterans organizations, has played a leading role in this respect.

Although most of the more than 200,000 service-connected disabled veterans who now are Federal employees procured their positions under the Veterans Preference Act of 1944, in the enactment of which the DAV took a leading role, less than 10 percent of them are members of the DAV. Moreover, many more thousands of handicapped veterans are now gainfully employed primarily by reason of the preferential selective placements into suitable jobs which utilize their remaining abilities, in accordance with policies and procedures in all public employment offices, as required by the United States Employment Service, pursuant to many DAV suggestions.

One of these suggestions—by a DAV past national commander—resulted in the law which provides for the observance, during the first full week in October of each year, of the national Employ the Physically Handicapped Week. This, in turn, led to the formation, some 10 years ago, of the President's Committee on Employment of the Physically Handicapped, which functions on a year-round basis. Its chairman, Gen. Melvin J. Maas, is a past national commander of the DAV.

Hard working John W. Burris is the DAV national director of employment. He is also the custodian at the DAV national service headquarters.

Another unique development, following the formation of the DAV in 1920, has been the establishment of accredited national service officers—in lieu of the former pension attorneys, whose fees were generally 10 percent of all benefits procured. These national service of-

ficers furnish pertinent information, advice, counsel, and assistance to disabled veterans, in helping them to prove entitlement to various types of governmental benefits to which they may be equitably and lawfully entitled.

After starting—shortly following World War I—this system of providing free service to disabled veterans, in connection with their respective claims, the DAV has since then maintained the largest staff of full-time national service officers maintained by any veterans organization. The staff members are located in the regional, district, and central offices of the United States Veterans' Administration. As VA accredited attorneys-in-fact, they have access to the official claim folders of veteran claimants who have furnished them with powers of attorney. All these special advocates have gone through the experience of prosecuting such claims themselves.

More than 400 handicapped veterans of World War II were accorded intensive vocational training courses, under Public Law No. 16, inaugurated by the DAV, toward the objective of becoming full-time national service officers of the DAV. The Veterans' Administration probably expended more than \$2 million in providing them with 6 months of academic training at the American University, in Washington, D. C., supplemented by 18 months of on-the-job placement training under each of 3 old-time experienced national service officers who had learned by long experience how technically to prove legal entitlement to benefits to which claimants were equitably entitled.

Because of lack of sufficient funds, the DAV has not given its national service officers salary increases proportionate to increases in the cost of living, to take care of their increased living costs for enlarging families, although the DAV has persuaded the Congress to grant such increases in the basic compensation rates for disabled veterans. Consequently, more and more resignations have occurred, so that now the DAV has a staff of only 138 full-time national service officers who serve under the conscientious national director of claims, Cicero F. Hogan, and his able assistant director, Chester A. Cash, also located at the DAV national service headquarters.

These national service officers are kept so busy in the regional offices that very few of them are able to spend any substantial time at the 173 Veterans Administration hospitals. So much more could be accomplished for so many more deserving disabled veterans if the DAV were enabled, financially, to establish a full-time national hospital contact service officer in each of such VA hospitals, and also as to each of the 28 physical evaluation boards maintained in the various Army, Navy, Air Force, and Marine Corps hospitals throughout the country.

The net income from the DAV's fully owned "indent tag" project—operated at DAV national headquarters, 5555 Ridge Avenue, Cincinnati 13, Ohio, under the supervision of the DAV national adjutant, Vivian D. Corbly—had enabled the DAV to maintain the largest staff of full-time service officers of any veterans organization. Nevertheless, much

more net income is needed to enable the DAV to reexpand, on an adequate basis, its staff of national service officers, so as to have at least one serving in each of the 173 VA hospitals and the 28 physical evaluation boards. Increased donations from automobile owner recipients of "indent tags" would be helpful toward that end.

Also very helpful would be DAV membership by more and more of the some 2 million compensated disabled veterans. Most of them have been free riders—content to accept benefits which they have not helped obtain.

Evidently, most of these DAV eligibles are not aware of the real significance of the facts and factors involved.

As a Member of Congress, one may wonder why I believe in building up a strong voice for America's disabled defenders—through the DAV. Several very important reasons occur to me, as follows:

First. In our democracy, with its many complicated interrelationships, the better organized and stronger groups are more likely to be listened to by Congress and governmental officials than are the poorly organized and weaker groups; stronger groups consequently obtain more for themselves than do weaker groups. For instance, only 200 or 300 laws are enacted by each Congress from among the thousands of bills introduced.

Second. When more than 90 percent of the veterans eligible for DAV membership are not members, Members of Congress may come to assume that such veterans are not interested in the objectives of the DAV. In our dynamic society, benefits, as measured in dollars, will gradually become less valuable as living costs continue—with some interruptions—to rise, about doubling every 25 years. That means that static benefits will actually go downward, relatively. In other words, by doing nothing, much would be lost. So we must move ahead, just to keep even.

Third. Every compensated disabled veteran has been financially benefited by reason of attained DAV legislative objectives—many times over the amount of a DAV life membership fee of \$100, and by membership in the DAV he would be helping it to help thousands of the distressed, disheartened, disabled veterans who need the expert technical assistance of a trained DAV national service officer to convince a VA rating agency that the veteran is lawfully entitled to service connection for his handicapping disability, on the basis of factual evidence procured. Certainly those who have been so helped should feel impelled to help the DAV to help others. When a handicapped veteran is helped—either to prove service connection, to obtain increased disability compensation, medical treatment, or vocational training, or to be placed in suitable employment—his improved situation also helps his family and his community.

In the final analysis, service extended to a handicapped veteran, or his dependents, is a patriotic, unselfish service extended to our beloved country. The provision of security for America's disabled defenders is an essential factor in the provision of security for America.



The extension of much-needed personalized rehabilitation services to, for, and by America's disabled defenders, collectively cooperating together through the DAV, is a patriotic service of such great value to the individuals directly affected, and also to their dependents and their communities, that it deserves the continued support of all of America's war wounded, injured, and disabled veterans by their life membership in the DAV.

Americans who help the DAV to procure adequate security for America's handicapped veterans and their dependents thereby help assure future security for America and for all other Americans.

Mr. President—  
The PRESIDING OFFICER. The Senator from South Carolina.

#### WASTE IN MILITARY EXPENDITURES

Mr. JOHNSTON of South Carolina. Mr. President, I believe our country needs a new battle cry: "Billions for defense but not one cent for waste." Unless we are careful, we are going to plunge ourselves into national bankruptcy, and leading the parade to fiscal ruin are the military.

It is most jolting, indeed, to find that we have finished the fiscal year 1958 with a deficit of upward of \$4 billion, and almost at the same moment to be told by Secretary of Defense McElroy that our missiles program is involving great waste. On Monday of this week, Secretary McElroy told the members of the Senate Armed Services Committee that the United States has produced too many missiles of some kinds and duplicated in a way that was wasteful of the taxpayers' money.

Secretary McElroy, at least, is to be credited for frankness, but his candor can hardly be allowed to cover up the deficiencies of the Defense Department's planning and operations. Seemingly, those in the Pentagon proceed on the assumption that the United States Treasury is a bottomless pit, that public funds are somehow conjured out of thin air, that a few billion dollars, more or less, do not make any difference.

How long is it going to take for the military to understand that each and every dollar of public funds must be raised from the taxpayers, from the working people and businesses of America; that every dollar spent for defense means that much less money for the normal development of business and investment, for the creation of payrolls and jobs? Is there no way we can drive home the lesson to the men in military uniforms that an equally important component of national defense is the economic strength of the Nation and the soundness of our dollar.

Surely in all their studies and special courses of study, which seem to last for years, they must have learned along the way that one of the prime objectives of the Kremlin is to conquer America by imposing such burdens on us that we will ruin our economy through excessive military spending.

Only a few days ago Columnist Drew Pearson pointed out that one of

the main factors in the decline of the prestige and power of the West in relation to the deteriorating situation in the Middle East is that the world at large, and particularly the Free World, has lost confidence in American military power. Only time will tell the incalculable harm done America and our allies and the cause of freedom by the psychological injury occasioned in the space race we are losing to the Soviets.

What is Secretary McElroy doing about this fiasco? I saw a brief report the other day that the Defense Department was going to "reevaluate the Vanguard program." Well, how long reevaluation? And what about the management of that whole program and the money that has literally gone up in smoke in the 5 failures out of 6 tries? The people are watching anxiously to see what decisions result from the announced "reevaluation."

Mr. President, the local newspapers here in the Nation's Capital have been stirred up the past several days, and rightly so, over the bungling which has attended the powder factory in nearby Maryland. Pleading economy, the military pursued a course of action that resulted in the loss of more than 2,000 jobs at this nearby installation.

It looked at first as if the brass had gone economy-minded in a big way. Then, of course, it came to light that the whole business was a fancy maneuver that had nothing to do with economy. It really was a "fast one" which, instead of realizing any savings, actually necessitated the spending of additional millions of dollars for new facilities on the west coast duplicating those being abandoned here. The remarkable part of it all is that the schemers were able to get as far as they did, and were successful even in deceiving such able, experienced, and dedicated men as those who look after such matters in the House.

For long months I have stood on this floor and labored this issue of the waste, extravagance, and loose management in our military affairs. I regret to say that for all practicable purposes it has been of little or no avail, so far as bringing about needed and desired results is concerned. I am encouraged, however, that the sunshine of truth and conscience is getting into the dark places in the vast, intricate and complex realm of the military.

It is encouraging to find Secretary McElroy, now making public admission of the situations to which I have been directing attention. Perhaps if we can get enough of this out into the open we can do something about it. We had better do so, or we will be flirting with the dangerous possibility that we will spend ourselves into ruin.

Secretary McElroy himself gave it as his opinion in the recent conference of the Nation's military leaders at Quantico that in the next decade our military budget may go to \$70 billion or possibly \$80 billion a year.

This prediction is something to have in mind as we go about the business of building our national defenses. We are aware that we are facing a continuing

fight for survival—survival as a free people sustained by a free economy. We must be alert lest we lose what we most prize as we make ready adequate defenses. As I said in the beginning, our watchword should be "billions for defense but not one cent for waste."

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article from the Washington Evening Star entitled "McElroy Sees Waste in Missiles Program."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### McELROY SEES WASTE IN MISSILES PROGRAM

Secretary of Defense McElroy told Senators today that this country has produced too many missiles of some kinds and duplicated in a way that was wasteful of the taxpayers' money.

The Pentagon civilian boss offered this testimony to the Senate Armed Services Committee as he appeared to ask greater authority to reorganize and streamline the multi-billion-dollar defense programs.

#### RUSSELL DENIES FEUD

As Mr. McElroy made his second public appearance before the Senate group, Chairman RUSSELL, Democrat of Georgia, denied that they had been engaged in a feud about testimony by top Pentagon military leaders.

After the Secretary publicly criticized Senate testimony on the reorganization plan by Adm. Arleigh A. Burke, Chief of Naval Operations, Senator RUSSELL announced he would not call additional members of the Joint Chiefs of Staff until he had assurances from Mr. McElroy they could testify freely and frankly without reprisal.

After considerable negotiation, Mr. McElroy sent Senator RUSSELL a letter which apparently satisfied the Senate leader.

Senator RUSSELL told Mr. McElroy and a crowded committee session today he had been disturbed by references to this exchange as a feud.

Since the start of this Government, Senator RUSSELL said, there have been differences as to the respective authority of Congress and the Executive. He said he had acted "to protect which I regarded as the legislative functions of the Government."

#### QUESTIONS AUTHORITY

He raised questions about authority in the bill, already passed by the House, which would give the Secretary the right to transfer, reassign, or abolish military functions set up by Congress.

The Senate chairman asked if this did not amount to second veto?

His point was that a President could veto an act of Congress and then, if Congress overrode the veto, a Secretary could still block Congress' will.

Mr. McElroy said this is not the intent. He said there is a need for flexibility over the future because no one knows now what it may bring, other than change.

He said Congress would be notified in advance of any changes and these would not be made precipitately.

Mr. JOHNSTON of South Carolina. We must bear in mind, in dealing with the military, that we have a military man as President of the United States, and it almost a crime in the Senate or in the House of Representatives to vote against any appropriation for the military. I think it is time we began to look into the waste in some of our military installations. I think it is also time for us to be strong enough to cut appropriations, if necessary, where they should be cut.

Yes, it is nice to say "Be prepared." We all want to be prepared. I do not think anybody else has ever gone this far, but I want to warn the Nation at this time that it is possible for the United States to be classified by other nations of the world as Germany was classified for many, many years before Germany was almost wiped from the face of the earth. What was Germany classified as? Germany was classified as a militaristic nation. I do not want America to ever be classified in that way. I want our Nation to be prepared, but I do not want anybody to think that the military is running the United States.

#### ROY HENDRICKS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1557, H. R. 7718.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7718) for the relief of Roy Hendricks, of Mountain View, Alaska.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H. R. 7718) for the relief of Roy Hendricks of Mountain View, Alaska.

Mr. MANSFIELD. Mr. President, the purpose of the proposed legislation is to pay Roy Hendricks, of Mountain View, Alaska, the sum of \$661.70 as reimbursement for towing services, repairs, and storage of 2 trucks seized in June 1952 under court process by the United States marshal's office, Anchorage, Alaska.

Mr. President, I ask unanimous consent that a statement regarding the bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In June 1952, judgment was recovered by private litigants in a civil action in the United States district court at Anchorage, Alaska, and a writ of execution was levied against two trucks, the property of the judgment debtor. The United States marshal requested the claimant in the proposed legislation to tow the trucks to his garage and store them there until such time as they could be sold in satisfaction of the judgment. Subsequently, the United States marshal's office requested the claimant to put the vehicles in condition for winter and in running condition in preparation for the sale. The work which the claimant did at the request of the United States marshal's office resulted in the creation of a mechanic's lien against the vehicles in the sum of \$795. The vehicles were ultimately sold at public auction for \$150. Of the \$150 realized from the public auction the amount of \$133.30 was paid to the claimant, leaving a balance of \$661.70, the amount specified in the proposed legislation, as due on the lien. The claimant presented the claim for \$661.70 to the General Accounting Office which disallowed it on the grounds that even though the claimant may have released the vehicles for sale upon the assurance from the Assistant United States Attorney that he would do everything possible to see that the ex-

penses incurred at the request of the United States marshal would be paid, such indebtedness was incurred as the result of private litigation and the Assistant United States Attorney's promise to assist in the collection of the debt was in no way binding upon the United States.

Mr. E. L. BARTLETT, Delegate from Alaska, urges the favorable consideration of the proposed legislation on the grounds that the claimant acted in good faith, that he performed the service at the request of the United States marshal, that he had performed previous services for the United States marshal's office and for such previous services performed at the direction of the marshal or at the direction of one of his deputies he had always been paid, and that on this occasion he also anticipated businesslike dealings with the officials of the United States concerned.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 7718) was ordered to a third reading, read the third time, and passed.

#### MARY K. RYAN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1636, S. 489.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 489) for the relief of Mary K. Ryan.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 489) for the relief of Mary K. Ryan, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding any statute of limitations or lapse of time, claims for credit or refund, exclusive of interest, of overpayments of income taxes for the taxable years 1949 and 1950 based on excludable cost of living allowance may be filed by Mary K. Ryan, and her former husband, William A. Boutwell, both of Albuquerque, N. Mex., at any time within 1 year after the date of the enactment of this act. The provisions of section 322 (b), 3774, and 3775 of the Internal Revenue Code of 1939 shall not apply to the refund or credit of any overpayment of tax for which a claim for credit or refund is filed under the authority of this act within such 1-year period.

Mr. MANSFIELD. Mr. President, this bill would simply waive the statute of limitations so as to permit the claimants to file a claim for refund of personal income tax erroneously paid by them in 1949 and 1950 by way of a joint return filed by them prior to their divorce.

Mr. President, I ask unanimous consent to have a statement in regard to the bill printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

At the time the returns were filed the claimants were working in Alaska and by virtue of an executive order of the President, followed by a regulation issued by the

Treasury Department, both issued by authority of the 1939 Internal Revenue Code as amended by the Revenue Act of 1943, they were entitled to exclude from their taxable income amounts paid to them as "cost of living allowances." They did not learn of this executive order and regulation until they returned to the United States and although they then filed claim for refund, the 2 years in question were rejected because the 2 year statute of limitations for filing had expired. The Internal Revenue Service did give a refund on the 1951 return, as the statute had not run for that year.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mary K. Ryan and William A. Boutwell."

#### PROPOSED AMENDMENT OF THE RECIPROCAL TRADE AGREEMENTS ACT

Mr. JOHNSTON of South Carolina. Mr. President, I can well remember when those opposing the so-called Reciprocal Trade Agreements Act were as scarce in the United States Senate as the proverbial hens' teeth. Looking back over the past few years I feel even more justified in my position of opposing renewal of this legislation, and I am happy to see more and more Senators giving this program closer scrutiny. As each day goes by we can see that the original intent of this program as conceived by former Secretary of State Cordell Hull back in 1934 is being lost in a shower of internationalistic suicidal propaganda.

There is no longer anything reciprocal about the program. Once thought of as a program to stimulate sale of American-made goods abroad in a friendly market, the reciprocal trade program has become a monster that is destroying American business, American jobs, American markets and American influence abroad. Coupled with the foreign-aid programs, this lopsided trade program is doing more harm to America than anything short of military destruction.

Not only have we sent our dollars abroad to help put our friends back on their feet but after that we have supported their budgetary requirements with our tax dollars, subsidized foreign industries, and given trade concessions which today mock our claim to national sanity.

Products of foreign industries, sustained by American dollars, produced abroad at virtual slave-wage levels, in many instances, are replacing American-made goods in our domestic markets. Thus is created much unemployment, the fruit of our own mistaken generosity and ill-advised trade policy. Thousands upon thousands of Americans today are drawing unemployment benefits, running into millions of dollars, as a result of their jobs being abolished because of this foreign competition which is being subsidized with American tax dollars.



Mr. President, while this trade legislation is before the Senate Finance Committee, and before it is reported to the Senate, I want to make a few observations.

In 1934, in order to increase trade, the Congress enacted the Trade Agreements Act which authorized the President to lower or increase duties as much as 50 percent. In the period 1934-47, a number of bilateral trade agreements were made. In 1947, the General Agreements on Tariffs and Trade came into being and with it the Multilateral Trade Agreement came into being. With the advent of the Multilateral Trade Agreement, the most-favored-nation clause became international in scope, and concessions to one country became, excepting Communist countries, concessions to the world.

Since 1937, the United States has slashed its tariffs 78 percent. We now rank seventh from the bottom of the tariff scale. Our duty deductions were made under the guise of reciprocity, the United States sacrificing its duties in exchange for concessions from the foreign countries. Yet after 24 years of operation, we find the barriers of foreign nations to United States products greater than prior to the initiation of the tariff slashing program. In addition to duties, the following are some of the restrictions imposed on United States exports by foreign countries: 17 have import quotas, 33 require foreign-exchange licenses, and 62 require import licenses.

In 1951, Congress enacted a provision called the escape clause, which provided that the Tariff Commission make an investigation to determine if a tariff reduction has injured or threatens injury to an American industry. The Tariff Commission recommendation is then sent to the President who may accept, modify, or reject any action the Tariff Commission has found needed to prevent or remedy the injury to our American industry.

Congress, by this provision, intended to prevent any American industry or its workers from damage from imports. But the escape clause has not been administered as Congress intended. In 87 cases, the Tariff Commission has reported injury from imports in 30 cases; of these, the President has refused approval in 20 cases. In 10 cases, the recommendation of the Tariff Commission was approved or modified. Thus, the chance of success in an escape clause action is only 1 out of 3 even when the industry has established injury.

The problem of the American industries arises from the industrialization which has taken place in foreign countries since the war. This is a direct result of our foreign aid in European countries and military government programs, primarily in Japan. The low-wage foreign countries have been industrialized, but their wages have not kept pace with the mechanization. The average hourly wage in 1956-57 in the United States was \$2.08; this compares with average wage scales in West Germany of 55 cents; in Italy of 43 cents and in Japan of 22 cents.

Imports of a great number of products have increased tremendously in the past

few years. Pottery, textiles, steel flatware, clothespins, plywood, and many other products are coming in from Japan in steadily increasing quantities. Plywood exports from Japan to the United States have increased 6,800 percent since 1951. Plywood imports took 52 percent of the United States market in 1957. Japan alone took 42 percent. The domestic hardwood plywood industry is sorely pressed to stay alive in face of the competition of the plywood from Japan. Employment has been reduced from 25 to 30 percent; take-home pay is down drastically and a full 40-hour week has been the exception rather than the rule.

In the June issue of the *Carpenter*, Earl Hartley, president, Western Council Lumber and Sawmill Workers, says:

As closely as I have been able to figure, some 3,500 of our members are today displaced by imports of Japanese plywood and veneer. There is a good possibility that if the American market remains open and unrestricted that other wood items such as lumber, doors, sash, and so forth, will eventually feel the effects of ever-growing competition from low-wage Japanese products.

Bear in mind, this is in the three west coast States alone, Oregon, Washington, and California. This represents the loss of the smaller of the two labor organizations in the plants of those States.

According to recent figures that have been used before by the distinguished Senator from Maine [Mr. PAYNE], there are 345,000 textile workers unemployed due to imports.

The matter of forcing American workers to compete with wages of 15 or 20 cents an hour in Japan and some other countries should be of vital concern to all of our leaders in labor, industry, and in Government.

The competition from Japan is no longer from a "cottage industry" but from modern plants furnished with the finest machinery that money can buy, plus a low wage, long hours and no overtime. This is a combination the American worker cannot lick.

The President in 1955, assured American industry and labor that no industry would be put in jeopardy by the trade-agreements program. Positive evidence has been submitted to Congress and the President that injury from imports exists in many industries. Yet, in 20 cases, the President has refused to accept the findings of the Tariff Commission that an American industry was injured and a remedy was required.

I am gravely concerned over the welfare of our Nation's economy. We are headed down a road of unlimited spending, extravagance, waste and self-destruction. We must begin to tighten our economic belts and bring ourselves to realize that our primary task at this time is to return to a goal of self-preservation.

A good place to start is to kill this lopsided trade program.

#### JOHN J. SPRIGGS

Mr. O'MAHONEY. Mr. President, I have consulted with both the majority leader and the minority leader, and they have agreed to the request I am about to

make, namely, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1624, Senate bill 2629.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2629) for the relief of John J. Spriggs.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

There being no objection, the Senate proceeded to consider the bill.

Mr. O'MAHONEY. Mr. President, this bill was unanimously reported by the Judiciary Committee. It is a bill for the relief of John J. Spriggs, but only to the extent that it gives him the authority to pursue in the Federal court a claim which was disallowed in his first attempt on the ground that it was a claim against the United States and there was no jurisdiction in the court.

There is no objection to the bill. I hope it will be passed.

Mr. President, I ask unanimous consent that a statement explaining the bill be printed in the *RECORD* at this point.

There being no objection, the statement was ordered to be printed in the *RECORD*, as follows:

#### JOHN J. SPRIGGS

This proposed legislation would waive the statute of limitations so as to confer jurisdiction on the United States District Court for the District of Wyoming to hear, determine, and adjudicate any claim of John J. Spriggs, of Lander, Wyo., against the United States relating to certain lands in the Wind River Indian Reservation.

The Department of the Interior expresses opposition to the legislation, and the Department of Justice opposes the legislation except as it applies to one allotment of land covered by the legislation.

Briefly, it would appear that the facts were developed in a suit brought by the claimant in the United States District Court for the District of Columbia against the Secretary of the Interior and others. The basis for the suit was an agreement with one Mary Candler, who was the widow of a William O'Neal, a member of the Shoshone Tribe of Indians. The claimant, Mr. Spriggs, was attorney for Mary Candler on the death of her husband, when his will was contested. The agreement between Mrs. Candler and the claimant was on a contingent-fee basis, consisting of one-half of the property she might obtain through his efforts. Mrs. Candler was successful in her suit to gain the property, and executed quitclaim deeds to the claimant.

When the quitclaim deeds were submitted to the Department of the Interior for transfer, the Indian Bureau notified Mrs. Candler that inasmuch as she was of one-fourth Indian blood and an enrolled member of the Shoshone Tribe, she could not make any valid contract without the approval of the Department of the Interior. The suit heretofore mentioned in the District Court for the District of Columbia was brought, judgment was entered in favor of the Government, and the Court of Appeals affirmed that judgment, stating as follows:

"As to allotment No. 950 . . .

"It is also conceded that a subsequent conveyance of this land by Mr. Spriggs to the United States at its request, in trust for Mary Candler, the same person as defendant Candler, after a conveyance by her to him, was upon the mistaken view that the land was restricted and that the earlier deed to him accordingly was invalid. The cloud which appears thus to have been cast upon his title

to this tract through mistake may no doubt be removed by legislation, or possibly by appropriate litigation."

As to the main suit, the court dismissed it as one lacking jurisdiction in the Federal courts.

Hearings were had upon this bill, and the contentions of the claimant and those of the Department of the Interior in relation to the different interests are in sharp disagreement. This bill would send the matter to the court in order to have a final adjudication of the interested parties.

The committee is of the opinion that this is the type of legislation which should be subjected to a court interpretation for the purpose of bringing it to complete finality and, for that reason, recommends that the bill, S. 2629, be favorably considered.

**The PRESIDING OFFICER.** The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2629) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That, notwithstanding any statute of limitations or lapse of time, jurisdiction is hereby conferred upon the United States District Court for the District of Wyoming to hear, determine, and adjudicate any claim of John J. Spriggs of Lander, Wyo., against the United States relating to certain lands in the Wind River Indian Reservation, Wyo., conveyed to him by quitclaim deed by Mary Bradford O'Neal Candler on November 18, 1925. Suit upon any such claim may be instituted at any time within 1 year after the date of the enactment of this act: *Provided*, That nothing in this act shall be construed as an inference of liability on the part of the United States.

#### SHAREHOLDERS AND DEBENTURE NOTE HOLDERS OF GOSHEN VENEER CO.

**Mr. CAPEHART.** Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 780, House bill 6282.

**The PRESIDING OFFICER.** The bill will be stated by title.

**The LEGISLATIVE CLERK.** A bill (H. R. 6282) for the relief of the former shareholders and debenture note holders of the Goshen Veneer Co., an Indiana corporation.

**The PRESIDING OFFICER.** Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dow M. Gorham, administrator of the estate of Charles E. Gorham, the sum of \$50,176.17; to Dow M. Gorham, administrator of the estate of Nellie A. Gorham, the sum of \$8,858.66; to Elizabeth Dow Snoke, administrator of the estate of Ethel B. Dow, the sum of \$82,639.91; to Elizabeth Dow Snoke, the sum of \$32,468.66; to Barbara Dow Bowen, the sum of \$32,468.66; and Dow M. Gorham, the sum of \$88,542.42, former shareholders of the Goshen Veneer Co., an Indiana corporation, having its principal place of business at Goshen, Ind., in full settle-

ment of their claims against the United States as a result of having lost their business by reason of an overexpansion of its facilities urged and encouraged by the War Department of the United States in anticipation of the requirements of the projected wartime wooden aircraft program and the subsequent abandonment of that program by the War Department before amortization could be effected: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

**Mr. DIRKSEN.** Mr. President, in connection with the bill just passed, I ask unanimous consent that a statement of the purpose of the bill and other pertinent material be printed at this point in the RECORD.

**Mr. MANSFIELD.** I join the acting majority leader in that request, Mr. President.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### PURPOSE

The purpose of the proposed legislation, as amended, is to pay the former shareholders of the Goshen Veneer Co. a total sum of \$295,154.47, in full settlement of their claims against the United States as a result of their having lost their business during the period 1942-44 by reason of overexpansion of the facilities of said business at the behest and urging of the United States War Department, in anticipation of the requirements of the projected wartime wooden-aircraft program and the subsequent abandonment by the War Department before amortization could be effected.

#### STATEMENT

A similar bill, H. R. 10092, as amended, was favorably reported to the Senate from the committee on July 20, 1956, and passed by the Senate on July 27, 1956, too late for further action by the House, as amended by the Senate.

The Goshen Veneer Co. was established in 1892 by Myron C. Dow and Charles E. Gorham and was operated as a partnership until it was incorporated in 1900. The ownership of the firm and all of its stock remained in the hands of the organizers or their families up to April 1944. Since its inception Goshen has engaged in the manufacture of hardwood veneer and plywood principally for the manufacture of furniture. It was among the first to develop the hot-press technique for cementing veneer with thermosetting resins. The average net sales for the years 1936 to 1941 were \$558,200, with average net profits of \$26,300 or 5 percent of sales. The incidents out of which this claim arises took place in the spring of 1942 through the summer of 1944. A number of the persons then having offices or other responsible positions in and about the Goshen Co. are now deceased.

On March 10, 1942, Mr. J. J. Snoke, general manager of Goshen, advised the Army Air Force's procurement officers by letter of Goshen's availability for plywood manufacture and offered its services in that regard. It is

not clearly established whether this letter was a response to solicitations by such procurement officers to Goshen, or whether it was a voluntary act on the part of the corporate management. It is to be borne in mind, however, that this company was a small, family-owned corporation operated in a city in mid-America and, inasmuch as the officers and shareholders were all members of the community, the letter probably represented a genuine desire on their part to contribute toward the defense effort at this period in which the country was engaged in a world war.

On May 6, 1942, the company had prime or subcontracts with various agencies of the Government totaling \$354,500 and a subcontract estimated at \$600,000 was in the process of negotiation with the Bell Aircraft Co., which had a contract with the United States Army Air Forces. Goshen was contacted by representatives of the War Department during the summer of 1942 and the necessity of peak production for the war effort was stressed.

On May 22, 1942, Goshen entered into a V-loan agreement for \$100,000 of revolving credit. It is to be noted that \$100,000 of additional credit would not be an unusual financial transaction in view of the size of the company and its average of \$500,000 gross business in the preceding years.

Following the first V-loan, Goshen received further subcontracts and about the 1st of August 1942 Lt. George E. Dilley, assistant to the district financial officer, contacted the company for the purpose of assisting it in obtaining an increased loan which Goshen had contemplated making as early as July 6, 1942. Further, on July 29, 1942, a letter was received by Goshen from a Major Lyon which contained several rather broad statements with regard to V-loans.

On August 7, 1942, the First Bank & Trust Company of South Bend, a fiscal agent for the War Department, which handled the first V-loan, applied to the Federal Reserve for a guaranty for a loan of \$600,000, this being a consolidation with the first V-loan and an increase in credit of \$500,000. The claimant contends that considerable pressure by procurement officers during the summer of 1942 had induced them to go ahead with continued expansion to handle war contracts which the Air Forces desired.

Specifically, the United States Air Forces at this time were interested in a program for producing plywood aircraft, thus saving on aluminum and other essential minerals. It was in connection with this plywood aircraft program that Goshen had been contacted.

On August 22, 1942, the bank consolidated the former loan and a loan was made in the amount of \$600,000 for Goshen. In addition to the provisions securing repayment under the former agreement there was incorporated in the August 22 instrument the new loan contract provided, inter alia, that the bank, at its election could require separate accounts for funds advanced and the countersigning of checks, inspection of the books and records of Goshen, and the right to make advances in its sole discretion; also, monthly balance sheets certified by public accountants; approval by the bank of all contracts for over \$25,000, and the acquisition of any fixed assets over \$2,000 was required.

It is to be noted that the May 22 loan for a revolving fund of \$100,000 provided for a mortgage of all real estate, equipment, materials, tools, machinery, and personal property except inventory; the assignment of the proceeds of all contracts with United States or various departments thereof; the subordination of outstanding debentures (in the extent of \$26,064.70) to the loan; prohibition of the payment of any dividends during the period of the loan, for monthly balance sheets and accounting records certified by a CPA; the personal guaranty of J. J. Snoke and



Dow Gorham for the repayment of funds advanced, and an acceleration clause to be effective in case of a breach of any of the terms of the agreement.

The committee notes that the control of the company with the issuance of these two loans progressively passed from the existing management to the bank and the War Department. Further, the amount of the second loan was not thought to be desirable by the bank or the Federal Reserve, but which was acquiesced to by them at the insistence of the War Department officials, because it would be an excessively large loan for the size of the Goshen Co. and its previous operations. Briefly, the company took the second loan and expanded its operations in accordance with contracts with the Government. This amounted to what would be in normal business procedures an overextension of the company. However, the committee feels that it is to be noted that at the time the country was at war, that considerable pressure had been exerted on the company in connection with its plywood aircraft program.

The committee notes that under the Selective Service Act of 1940, the Goshen Veneer Co. could have been seized by the Government for war production if the company failed to cooperate with the Government in handling war contracts, but the committee does not feel that the company in a strict legal sense was forced to comply with the suggestions of the War Department. However, the committee does understand that, inasmuch as this was a family corporation, all of the members living in the town in which the plant was located, that had the family managed the corporation in such a manner as to compel Government seizure, they would have been practically compelled to leave town due to the wartime public feeling. The committee notes that had the families made such a Government seizure necessary they would not have sustained the loss which is the basis of the instant claim. Further, the committee appreciates that possibly in permitting this overextension, the company was possibly overzealous in its patriotic efforts to help the country during the war.

Following the expansion, the physical property of the plant was expanded. For example, the size of the work force, which was formerly 175 people, was increased to 575 with corresponding increases in the plant and equipment. In the fall of 1942 Goshen experienced difficulty in furnishing the bank with accounting and financial data as required under the loan agreement which would adequately inform the bank of the company's financial position. By November 10, 1942, outstanding notes under the revolving V-loan totaled \$597,964.28. Some of the difficulty encountered by Goshen in presenting a reliable fiscal report as to its operations seems to have stemmed from the lack of a cost-accounting system adequate for the proper handling of the cost-plus-fixed-fees contractual arrangements which constituted the majority of their contracts.

In December 1942 the company's accountant advised the bank that his failure to submit the required statements for October and November was due to the necessity of building an entirely new financial accounting system beginning with the fiscal year of October 1941, in order to have proper cost accounting for the new Air Forces contracts. In December 1942 Mr. J. J. Snoke advised the bank of a proposed subcontract with Bell Aircraft Corp. having a minimum estimated value of \$2,500,000, which would require additional operating capital. The bank at this time informed Goshen that they would install their own accountants in accordance with the terms of the loan if adequate financial data was not forthcoming. In January 1943 a firm of management engineers was employed to conduct a survey of Goshen's problems and

attempted to remedy some of the difficulties which had been encountered. This firm, Stevenson, Jordan & Harriss, hereinafter referred to as SJH, was hired at the insistence of the bank. The actual selection of the firm, was made by company officials. The Federal Reserve is noted as finding that the hire of the management firm was not warranted at this time. In February the bank notified the management that all future advances made to Goshen would be deposited in a separate account from which withdrawals could be effected only when countersigned by an employee of the bank who would spend full time in the Goshen offices in connection with the revolving credit.

SJH submitted its report on February 25, 1943, which indicated that production, engineering, and quality of production were entirely satisfactory, but that Goshen was deficient in certain aspects of business management with respect to cost control and accounting. It was additionally noted in this report that management was overburdened by a mass of detail and that the situation was aggravated by the loss of key production men to the draft. The committee further notes that inasmuch as the plywood aircraft program was in a new field of aircraft manufacture that many of the contracts were experimental in nature and that considerable engineering problems were presented to the company in forming airfoils of plywood which has appreciable thickness as compared to airfoils of aluminum sheets which are of a thin gage, inasmuch as the aircraft industry and its research and engineering specifications were keyed to the aluminum airfoils.

On March 8, 1943, the bank filed a new application for a \$1 million revolving-fund loan. This would incorporate the previous \$600,000 V-loan. The loan agreement for this amount was executed on March 25, 1943. In addition to retaining the previous provisions to secure payment which had been set out under prior loans, the agreement provided, *inter alia*, that 51 percent of the outstanding voting shares of Goshen would be pledged to the bank; that Goshen would obtain management satisfactory to the bank, and after the date of the agreement Goshen would retain the services of SJH. At the time of this agreement the representatives of Goshen demurred giving a pledge of 51 percent of the voting stock, feeling that the bank might then be in a position to obtain control of the business. It was explained by the representatives of the Federal Reserve that collateral could not be foreclosed without the consent of the War Department and the War Department under no circumstances would be interested in depriving the owners of the business as long as the terms of the guaranty agreement were being fully complied with. It is noted that at this time the company's application for additional credit was the only feasible basis upon which it could continue in its overexpanded state and perform the contracts negotiated under the plywood aircraft program.

From this time on, while previously the bank had exercised considerable control, the management was completely in the hands of and controlled by the bank in its operations. In June of 1943 a complete reorganization was effected in which a nominee of the bank and a representative of SJH were present on the board of directors. The pledge of 51 percent of voting shares was transferred to the Federal Reserve as fiscal agents for the War Department with the provision that it might be voted at the discretion of the contracting officers attached to the Headquarters of the Army Air Forces. The new office of general manager-secretary-treasurer was made the principal executive office of the company and the representatives of SJH were elected to this office. Mr. Snoke, the former general manager, remained prominent in the operation of the business.

During the summer of 1943 the entire wooden-aircraft program, in anticipation of which Goshen had expanded, was decelerated sharply to the point of being completely stopped, and its impact on the company is indicated by the fact that by November 1943 the operations were only slightly larger than prewar.

The committee notes that the principal difficulties involved in this claim are represented in events which transpired prior to this time, to wit, the company at the insistence of officials of the War Department, and in its desire to assist in the war effort, was repeatedly (in a period of 6 to 8 months) overexpanded and then the defense program upon which the company relied for its over-expansion was, within a few months, completely dropped, allowing no time to amortize the massive loans secured by the company in anticipation of its operations therein. Subsequently, there was considerable shifting of personnel in the management of the company. The curtailment of the plywood aircraft program and cancellation of other defense contracts compelled a rapid reduction of the operations of the company and other difficulties were encountered. The committee believes that during this time the control of the company cannot be said to have resided in the former management. On April 18, 1944, the stockholders of the company signed over to the Federal Reserve Bank of Chicago, as fiscal agent of the War Department, all of the stock, common and preferred, and any other debentures of the Goshen Veneer Co. which they owned. The company was subsequently liquidated and the War Department was charged with a loss of \$129,845.13 as a result of the transaction.

In the 81st Congress, a bill, S. 410, passed the Senate after extensive hearings, for the relief of the said shareholders of the Goshen Veneer Co. in the amount of \$513,434.92. In the House of Representatives on August 25, 1940, the House by H. R. 814, referred the matter to the Court of Claims. On March 2, 1954, the United States Court of Claims entered a decision in compliance with said House resolution recommending the award to the said shareholders of an amount of \$75,000. The recommendation of the Court of Claims was incorporated in H. R. 10092 of the 84th Congress in the amount of \$75,000.

The committee points out that in connection with this recommendation certain considerations were involved in the previous award of \$513,000 as recommended by the Senate in the first instance, should be considered. Among other things, testimony at the hearings then held tended to indicate that in the final settlement of the various defense contracts between Goshen and particularly Bell Aircraft, prime contractors for the Air Force, representatives of the War Department who then were in complete control of the Goshen contract, tended to favor Bell Aircraft in the settlement of such accounts and refrained from insisting on many of the claims which Goshen had with respect to the Bell contract. The committee was further persuaded by the actual testimony of the persons involved with respect to the allegations and recommendations made by War Department officials to Goshen, prior to the loan agreements.

In summary, the committee feels that the Goshen management was unwise in permitting the operations of their company to be expanded at the rate and to the size which they were expanded. The committee feels that possibly the urging and encouragement of the War Department with regard to this overexpansion does not amount to coercion or misrepresentation, but was to a degree, and in a manner, not calculated to reflect credit on the United States. It is to be borne in mind that during the time of war sacrifices are usually to be expected.

Many people permit their patriotism to override their better judgment with regard to their business capabilities, and it is particularly to be borne in mind that the company was a small, family-owned business in a small city and "they had to live with their neighbors." The committee feels that the curtailment and cancellation of the wooden aircraft program at a period very shortly after the company, at the insistence of the War Department, had rapidly expanded its facilities, prevented the amortization of loans incurred and immediately placed Goshen in a perilous financial condition. Further, the committee feels that after June of 1943 control of Goshen was practically out of the hands of the family which had formerly controlled it. Prior to that time the facts show that considerable control had been exerted by the bank over the operations of the company. The committee feels that the error of the former owners, which, although patriotically inspired, resulted in the overexpansion of the company, is sufficiently penalized by the loss of a 50-year-old going business and the goodwill and reputation attached thereto. The committee does not feel, in view of the Government's participation in this situation, that the shareholders should be penalized by complete loss of the values which the 2 families had labored through 2 generations to se-

cure due to this 1 instance of poor judgment during the war.

Further, the committee feels that awarding a sum of \$75,000 as recommended by the Court of Claims is inadequate compensation for the claimants, particularly in view of the fact that the final settlement of company assets and contractual rights were carried on by representatives of the War Department, the claimants not having any substantial voice in these transactions, after the War Department had completely taken over the company. The committee feels further that, particularly in view of the facts and attitude of the War Department with respect to \$2 million contract with Bell, and in the settlement which took place, that the final accounting figure showing a loss of \$129,000 to the War Department is not representative of the equities involved.

The company noted that a number of factors were apparently not considered by the court in making its recommendations and that other items were overlooked. The court's evaluation of assets appeared to be primarily based on the value of the stock alone as set out on page 19 of the House report. Therefore, the committee feels that, in arriving at a more acceptable amount, the following analysis of the items in the claim should be considered:

#### *Analysis of items on Goshen Veneer claim*

1. Book value of stock, June 30, 1943.....	\$78,223.07	
2. Add amount of debentures (owned by claimants).....	20,064.70	
(The court takes the book value of the stock as computed after the debentures are included in the liabilities. Obviously, the value of the debentures, a part of the equity of the claimants, should be added to the value of the company.)		
3. Add amount by which fixed assets undervalued on books:		
Appraised value Oct. 1, 1942.....	\$338,085.99	
Less book value Sept. 30, 1942.....	164,574.65	
Undervaluation as of Sept. 30, 1942.....		173,511.34
(The court finds a sound value of the buildings and machinery of \$338,085.99 (based on October 1942 appraisal). The book value of the stock is based on book value of buildings and machinery of \$164,574.65, no adjustment having been made on the books to reflect true appraisal value.)		
4. Add amount of insurance claim later recovered but not carried on books.....		13,600.00
(It is undisputed (and the court consequently made no finding in regard thereto) that the company had an insurance claim which was not carried upon the books, but upon which the Government later received \$13,600 in settlement. This is an unlisted asset that should be added in determining the value of the claimants' interest.)		
5. Add amount of tax refund later recovered but not carried on the books.....		7,156.00
(The company was entitled to an income-tax refund of prior years which, however, was not shown upon the books or in the balance sheet. It was subsequently paid to the Government in the amount of \$7,156, and the court so found.)		
6. Add undervaluation of Michigan timberlands:		
Fair market value.....	\$9,800.00	
Less book value.....	4,000.00	
Total.....		5,800.00
(The court found: "The company also owned a tract of timberland in Kalamazoo County, Mich., on which there was a stand of hard maple timber suitable for plywood." This was appraised as prime timber for plywood purposes at from \$18,000 to \$20,000, but was not shown in the balance sheet. The Government subsequently sold it as common lumber for \$9,800. This timberland was carried on the books at cost of \$4,000, which (taking the lower valuation of \$18,000) results in an undervaluation of \$14,000.)		
7. Deduct net book accounts of petitioners due from officers and stockholders.....	\$3,344.77	
Less amounts due stockholders.....	\$241.24	
And less interest due debenture holders.....	902.89	
Total.....		1,144.13
Net amount of book accounts.....		2,200.64
True value of petitioners' interest in Goshen Veneer Co. on June 30, 1943.....		295,154.47

The committee feels that, in view of the former recommendation of the committee and in view of all the records available to the committee that the total figure of \$295,154.47 is a more correct value of claimants' loss, excluding the loss of a going business which is irreplaceable. The committee has amended the bill accordingly.

The reports of the Department of the Army and the Department of Justice may be found in Report 2946 of the House of Representatives, 81st Congress, which accompanies House Resolution 814 of that Congress. Also included is the loan agreement of March 1943, the balance sheet of the Goshen Veneer Co. as of July 31, 1942, and other pertinent documents.

The House report indicates that substantial legal services have been rendered in this claim and in view of the amount awarded, as amended, the bill has been

amended to provide for a 10 percent attorney's fee.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CAPEHART. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

#### FEDERAL AID TO EDUCATION

Mr. CASE of New Jersey. Mr. President, last December and January, as this Congress prepared to begin a new session,

Sputniks I and II dominated much of the discussion of legislative needs. Leaders in both major parties agreed that the chief significance of the whirling satellites was that the scientific and technological preeminence of our Nation had come under serious challenge. It was clear that most Americans wanted the United States to take giant steps to strengthen our scientific and educational effort.

Recognizing that scientific progress is only one aspect of the broad educational effort, many persons wisely pointed out that steps would be necessary to strengthen our educational system from top to bottom. A building is no stronger than its foundation. The identification and training of scientific and other aptitudes has to begin early and we cannot expect to nurture talent on any large scale in overcrowded and obsolete classrooms.

The distinguished majority leader, the Senator from Texas [Mr. JOHNSON], told the Senate on January 23:

In our bicameral legislative system we do not always get everything we want, but I believe there is little doubt among those who are informed that had our colleagues in another body seen fit to have acted on an education bill, there would have been prompt action by this body. I predict such action in the present session of Congress, this year.

Such a specific statement by the majority leader is usually very significant. Senator JOHNSON's interest in outer space is well known. He sponsored creation of a special committee to study our national policies concerning it. In quick order, hearings were held, a report made, and the Senate acted to establish a special agency of government to deal with outer space.

Again, when the majority leader indicated his interest in achieving Senate action on the labor welfare pensions bill, the Senate was quickly given a chance to vote on this. Similarly, on the regulation of labor unions legislation, the Senate was given an opportunity to act.

But when it comes to our educational problems, despite the majority leader's interest, the Senate has come to the July 4 weekend without action on any major legislation assisting education.

As we all know, in an election year, such as this one, the July 4 weekend has particular significance. From here on out Members of Congress, and particularly those seeking reelection, will be anxious to get back home. Time is running short, especially for legislation on which a committee has not completed action.

Another leader of the Democratic Party, Adlai Stevenson, in a speech on January 31, expressed his sense of urgency about the need for education legislation. His words were:

May I say that the urgency of our desire to export an article of American manufacture to the moon—important as that is—is no excuse for deleting and drastically reducing provisions in the national budget for the support of education. The need has not diminished. It has grown.

The Senate Committee on Labor and Public Welfare, prompted by the Congressional interest in assisting education,



began hearings on several educational bills on January 21, just 2 days before Senator JOHNSON's statement to the Senate.

A few weeks after Senator JOHNSON's statement and Governor Stevenson's statement, the Senator from Arkansas [Mr. FULBRIGHT], a former university president and now a distinguished Senator, addressed the Senate on the subject of education. On March 10, 1958, he said:

Never has the need for such a program been so imperative as now. We must begin to place education in proper perspective, and the most significant step which Congress can take in this direction is to enact a Federal aid program.

It is unfortunate that we do not have a school construction program in operation now. . . . we must have Federal help to satisfy this urgent need and I urge that the Senate enact a workable Federal aid to education program at once.

This statement was made in the same week that the Senate Committee on Labor and Public Welfare completed its lengthy hearings on educational bills. In all, the committee hearings contained 1,602 pages on the subject and included testimony on at least 26 different bills. The hearings closed on March 13. Since then, the same Senate committee has completed its work on two major labor bills and made recommendations to the Senate and the Senate has acted. However, insofar as educational legislation is concerned, the committee has not been heard from for the past 3½ months.

Although the committee has been silent, there have been two reports issued to remind us that the problem of improving our educational system is still a major one.

The first of these reports was by the United States Commissioner of Education, Dr. Lawrence G. Derthick, chairman of a special 10-man Office of Education team, which studied education in Russia for a month. Dr. Derthick reported the following evidences of what he called a "total Soviet commitment to education":

Classes are of reasonable size.

Teachers are chosen on a highly selective basis—we saw no indication of any shortage. Foreign languages are widely taught.

The educational process extends after school hours and during the summer under professional direction.

Teachers and principals have an abundance of staff assistance: curriculum experts, doctors, nurses, laboratory assistants, and so forth.

School money is available to do the job. We were told repeatedly, "A child can be born healthy, but he cannot be born educated."

Responsibility for the conduct and achievement of their children rests with the parents, who participate regularly in school affairs.

Dr. Derthick concluded:

These factors insure vigor and quality in any school system, whether in a communist society or a democracy.

I urge my colleagues to ask themselves: How do we measure up on these points?

A part of the answer is suggested by the recent report by the Rockefeller

Brothers Fund on United States education needs. The report states bluntly:

Our schools are overcrowded, understaffed and ill equipped. In the fall of 1957, the shortage of public school classrooms stood at 142,000. There were 1,943,000 pupils in excess of normal classroom capacity. These pressures will become more severe in the years ahead.

The report also spoke of a tremendous increase impending in elementary school enrollments. The report predicts that—

By 1969 high schools will be deluged with 50 to 70 percent more students than they can now accommodate; by 1975, our colleges and universities will face at least a doubling and in some cases a tripling of present enrollments. If we are to meet these pressures, our schools will need greatly increased public support and attention, and much more money. But they also need something besides money: an unsparing reexamination of current practices, patterns of organization, and objectives.

The proposed legislation which has been pending before the Senate Committee on Labor and Public Welfare for the past 6 months could do a great deal to overcome these shortages. The administration bill before the Committee would create 10,000 new Federal scholarships each year for 4 years; it would assist local schools in the development of better scientific and mathematics programs; it would assist in the development of more well-trained college teachers, encourage and improve the teaching of foreign languages, as well as provide better statistical data on American education so that proper steps may be taken as needed.

The school construction bill which the administration proposed in 1957, although defeated in the House that year, is still pending before the Senate committee. I believe that the need for this proposed legislation is still great. The effects of the shortage of classrooms go far beyond the 1,943,000 pupils in excess of normal classroom capacity, for it is not only the 10 or 15 too many pupils crowded into some classrooms that suffer—it is the whole class. Principals and teachers have been forced to strain existing facilities, establishing makeshift classrooms in basement boiler rooms, in school corridors, or even worse, in limiting classes to half sessions, in order to give some education to all students. The inevitable result has been a decline in quality.

Furthermore, as many school officials strive to meet the need for bricks and mortar in order to house students, they are, perforce, obliged to dedicate limited revenues for construction, rather than teachers' salaries.

In a recent issue of the Atlantic Monthly, Dr. Seymour E. Harris, of Harvard University, makes an interesting comparison of teachers' salaries with those of other skilled workers. He points out that the mean salary for truck and tractor drivers is \$4,640 a year. The average salary of construction workers doing full-time work at union wages includes bricklayers at \$7,240, carpenters at \$6,260, electricians at \$6,680, and plumbers at \$6,700 a year. The average professional civil-service worker, even before the current increase, earns

\$6,136 a year. The average school-teacher receives \$4,285 a year. Yet, I submit that teaching is one of the most important and responsible tasks in our society. It requires substantial preparation, as well as a high quality of patience, understanding, and dedication.

Improving teachers' salaries and at the same time adding needed physical plant is beyond the capacity of many communities. Indeed, the provision of additional classrooms alone is more than many of them can accomplish with their own resources. The National Education Association reported recently that if Federal funds were made available, a minimum of 2,759 classrooms could be put under construction within a month, 16,325 within 3 months, and a cumulative total of 68,113 within 12 months. This would make a substantial dent in our continuing backlog of classrooms, estimated recently at more than 140,000.

The Senate has been meeting early and late on many pressing and important problems of the Nation. I would not argue the wisdom exercised in the scheduling of legislation. I would argue, emphatically, however, that our school-children are being overlooked by the United States Senate. If we adjourn this session without substantial education legislation, we will have failed in a national emergency.

As I said last December, it is in the classroom that the brainpower will be developed which will sustain our Nation in the years to come. Even a decade of inadequate education for millions of youngsters will take its toll in the discoveries unmade and in services unrendered. We have already lost several years by failing to enact an emergency program of Federal assistance for school construction. In my own view, this program has become more urgent than ever, and action to provide such emergency aid should be a key point in the legislative program before the next session of Congress.

The provision of adequate schools and an adequate educational program is as essential to our defense as rockets and missiles. It is, in every respect, a national problem of the greatest importance and the highest urgency.

In this session:

The Senate has passed a highway construction bill, but has done nothing about schools.

The Senate has passed a housing bill, but has done nothing about schools.

The Senate has passed a rivers and harbors bill, but has done nothing about schools.

The Senate has increased the pay of service men and women, but has done nothing about schools.

The Senate has increased postal rates, but has done nothing about schools.

The Senate has increased the pay of postal and classified Government workers, but has done nothing about schools.

The Senate has given Alaska statehood, but has done nothing about schools.

Mr. President, in this session we have done many important and necessary things. Is it conceivable that we shall fail to do the one thing which, in the

long run, is the most important, the most necessary, of all?

However shining its record may be in other respects, the 85th Congress will go down in history as one which shamefully failed our country if, for whatever reason, we do not take adequate action to strengthen American education.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. CLARK. I commend the Senator from New Jersey for the keen interest he has taken in the educational program and for his courage in pointing out the fact that we in the Senate have done nothing about schools. I should like to add my voice to his in expressing the hope that before Congress adjourns sine die, something significant will have been done about schools, not only with respect to scholarships, but also with respect to school construction.

I know, as do so many of my colleagues, the racial and religious problems which make it very difficult, indeed, either to bring out of committee or to pass on the floor an adequate bill relating to schools. But I think we have the obligation, in view of the critical situation in which we find ourselves, to face up to these problems and to do something about them.

I have in my hand an editorial entitled "Hollow Echoes, No Clarion Call," published in the Harrisburg (Pa.) Evening News of June 26, 1958. The editorial suggests that perhaps Congress is lagging because the country is lagging, but that this is the time for leadership.

I wonder if the Senator from New Jersey will indulge me so that I may ask unanimous consent to have the editorial printed in the RECORD at the conclusion of his remarks. The editorial is a recognition by one of Pennsylvania's great newspapers of the need for the type of legislation about which the Senator from New Jersey has been speaking.

Mr. CASE of New Jersey. Of course I shall be glad to have that done. I thank the Senator from Pennsylvania for his comments, and I welcome his assistance, because I have known for a long time of his great interest in this difficult and important problem.

Of course, there are difficulties in getting action by this body and by Congress on this question. All of us, I think, understand what they are. But however great the difficulties, the need is greater; and no matter at what cost, we must take action at this session of Congress.

Mr. MANSFIELD. Mr. President, will the Senator from New Jersey yield?

Mr. CASE of New Jersey. I yield.

Mr. MANSFIELD. At any time the committee will report such a bill, the Senator from New Jersey can rest assured it will receive prompt action, so far as the Democratic Policy Committee is concerned. There is no way whereby a committee can be forced to report a bill. We are just as much concerned, I am sure, as the Senator from New Jersey has expressed himself to be, about having the matter brought to the floor. Certainly we are in accord with what the Senator from Pennsylvania has said, namely, that action should be taken and

a school bill passed by Congress this year.

It is my further understanding that the House Committee on Education and Labor, by a vote of 23 to 2, today ordered a bill reported. I hope the Senate may take some action on that bill shortly.

Mr. CLARK. I thank the Senator from Montana.

I ask unanimous consent that the editorial to which I have referred may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### HOLLOW ECHOES, NO CLARION CALL

Where are the ringing words and majority action out of Washington here? Where are the overwhelming demands from out in the Nation?

Listen to this:

"Education has always been essential to achievement of our political and moral objectives. It has emerged as a necessary ingredient in our technological advancement. And now events have underscored its value in terms of sheer survival."

This is from the recent Rockefeller Brothers Fund report, "The Pursuit of Excellence: Education and the Future of America." The same thing has been said since last October and even before by many other Americans, from President Eisenhower on down.

"It will not be enough to meet the problem grudgingly or with a little more money. The Nation's need for good education is immediate; and good education is expensive. That is a fact which the American people have never been quite prepared to face."

In 1955, when the gross national product ran \$391 billion, total expenditures on formal education in the United States were just under \$14 billion. That's 3.6 percent of the gross national product. It's probably about the same today. A lot of money—and more every year? In total dollars; yes. But in 1930, when the United States had plunged into the worst depression of its history, Americans were spending 3.5 percent of their gross national product on education. That percentage has held fairly constant these past 28 years. The increase in total dollars hasn't kept pace with the ever-rising enrollment of students, and each year there has been a proportionately smaller expenditure of the GNP per pupil.

"At stake is nothing less than our national greatness and our aspirations for the dignity of the individual. If the public is not prepared for this, then responsible educators, business leaders, political leaders, unions, and civic organizations must join in a national campaign to prepare them."

It is time that Americans dedicate themselves to this campaign. There is no great leadership being displayed on this front at Washington. The President of the United States and the majority of Congressmen just can't quite bring themselves to rock the boat.

It looked a lot better back in January. Somewhere around 1,000 bills to advance education went into the Congressional hopper. Of that number, only about three major ones are still politically "alive."

Back in January, a call to action still echoed from nationwide addresses President Eisenhower just had made on the overwhelming importance of education and how we all had to do something about it. Yet, when it came time to send his education program to Congress, the President proposed less Federal Government effort and help this year than he and his administration had urged the year previous.

Even this "too little" program seems to be going no place in Congress. In neither House nor Senate is major education legis-

lation cleared and ready for priority action. And time is running out on this session.

It well can be argued that the reluctant White House and Congressional attitude on education is but a reasonable reflection of majority public opinion.

In years past, in more leisurely and far less complex times, this would not have especially mattered.

It matters tremendously now.

This is a time when America needs courageous leadership. Leaders who are not afraid to get out in front of the public instead of seeking out the safety and applause of the crowd.

This is a time when our men in national public life should have their sights set on the American future—not just on next November.

Yet the cause of education, the pursuit of excellence and concern for the American future, still are getting only lipservice at Washington. And precious little of that.

#### ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### DEATH OF HONORE J. PROVENCAL

Mr. MARTIN of Iowa. On occasion, Mr. President, each of us is suddenly brought up short by the passing of one whom we regard as a true friend, one who in his life has sought only to serve and assist us and who has sought nothing for himself, in return, save the satisfaction of having helped a fellowman. There are few people in this life who truly qualify as having sought nothing for themselves except the sense of well-being which results from serving and assisting others.

One such man was "Pete" Provencal. I can add little to the many words spoken in this Chamber yesterday in honor and respect to his memory, and to the cheerful and devoted service he rendered for so many years not only to his boss, the Vice President, but to every one of us in the Senate, to thousands of visitors to the Capitol, and to the cause of a selfless love of his beloved America.

His untiring enthusiasm and cheery demeanor when he showed visitors the Vice President's formal office, and discussed knowingly and at length its furnishings and other treasures, has helped instill in the minds of untold thousands a greater respect and admiration for our national traditions, our Government, and our American way of life. His own humble awe and high regard for these institutions was so patently sincere and deep-rooted, that it could not fail to strengthen similar feelings in the minds of those who heard his impromptu but heartfelt discourses.

"Pete" had another attribute possessed by relatively few persons—the knack of making everyone feel he was their friend. Innumerable of my fellow Iowans have written me letters asking that I give their regards to "Pete" and thank him for having devoted so much time and attention to showing them around the Senate. And I am sure that



every other Member of the Senate has had the same experience, whatever his home State and whatever his political affiliation. He was a friend to each and every one of us.

Like other Senators, I am proud that "Pete" Provencal made himself a part of that circle of fellow men whom I regard as close personal friends. I join my colleagues in sincerely mourning his passing, and in expressing my heartfelt sympathy for Mrs. Provencal and other members of his family. There is a deep personal loss; but because of "Pete's" un-failingly gracious desire to help others, his death also is a deep personal loss to all of us who have known him during our service in the Senate.

#### POLITICAL IMMORALITY

Mr. CLARK obtained the floor.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield to the senior Senator from Oregon without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I deeply appreciate the courtesy of my friend from Pennsylvania. It is typical of the friendship he has accorded to me ever since he has been in the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD, as an introduction to my speech, an editorial entitled "Adams Responsible to United States Through Ike," published in the Long Beach, Calif., Independent and Press-Telegram of June 29, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### ADAMS RESPONSIBLE TO UNITED STATES THROUGH IKE

In the Letter of the Week, printed in the Forum department on this page today, reader F. E. Callaghan asserts that the big issue underlined by the Adams-Goldfine case is the possession of broad powers by a man who was not elected by the people and has not been accountable to them.

"This situation demands investigation far more than the revelations of personal gain."

Most people will agree that the President of a Nation of 170,000,000 population must depend on a personal staff to help carry out his administrative duties. And he must select a person to direct that staff. In the Eisenhower administration Sherman Adams serves as the staff director.

If this is not a desirable system, and if the people want to change it, the obvious alternative is to elect the Vice President to carry out the duties now discharged by the "assistant President."

The question is one of responsibility, and there is a line of responsibility.

Who should get the credit or the blame for the conduct of Mr. Sherman Adams?

President Eisenhower, of course. When you talk about Adams, you are talking about Ike. He is Ike's man. He is accountable to Ike, and Ike is accountable to the country. If the retention of Mr. Adams in the service of the United States Government is a mistake, it is Ike's mistake.

To say that Adams was imprudent is an understatement. He accepted payment of his hotel bill by a man who has dealings with the Government in which Mr. Adams is a powerful and influential figure. Whether Mr. Adams is guilty of the even more serious

charges made by ex-publisher John Fox remains to be seen; the White House has flatly called these accusations falsehoods. Here, again, it is the integrity of the Eisenhower administration which is in question.

Mr. Eisenhower was elected in a crusade to clean up Government, which had become pretty cluttered up with deep-freezers, five-percenters, and that ilk. He made the Nation conscious of morality. This same Nation now is applying Ike's own standards to the Adams case.

Mr. Adams is a czar unaccountable for his actions only if the President permits him to be.

Mr. MORSE. Mr. President, I shall use this editorial as a foundation for my remarks on the real meaning of the case of Sherman Adams. When all the veneer is stripped away from the shaky case of Sherman Adams and Goldfine, and after all the apologists are through, four salient points will still remain.

First, President Eisenhower said, about 2 years ago:

If anyone ever comes to any part of the Government and claiming some privilege for even as low as an introduction to an official he wants to meet on the basis that he is part of my family or of my friends, that he has any connection with the White House, he is to be thrown out instantly. \* \* \* I can't believe that anybody on my staff would ever be guilty of an indiscretion. But if ever anything came to my attention of that kind, any part of this Government, that individual would be gone.

I ask the President: Do you need Sherman Adams? You told the American people you need him.

Mr. President, does Adams meet the language of the quotation from the President, or does he not? The sad fact is that President Eisenhower double-talked to the American people on this issue, as he has on so many others.

Goldfine had Sherman Adams obtain for him a special entree to the Federal Trade Commission. Adams committed what is supposed to have been the unpardonable sin in this administration. The President defends him.

It is interesting, is it not, to remember the hound's tooth comment by the President in 1952. General Eisenhower rode into office on the white charger of political morality, but now the American people have discovered that it was really a painted horse. It was a typical symbol of misrepresentation by the Eisenhower administration. The American people at long last are beginning to see that what appears on the surface of the Eisenhower administration, covers up the political immorality that lies underneath.

Second, Mr. President, when all the veneer is stripped from the Adams case, this will still stand out: It is absolutely improper for a Government official—he be a mail clerk, a stenographer, an official or employee of the Bureau of Indian Affairs—to accept favors and gifts from persons who have business with the Government.

Mr. CLARK. Will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. Proxmire in the chair). Does the Senator from Oregon yield to the Senator from Pennsylvania?

Mr. MORSE. I yield.

Mr. CLARK. I notice that my good friend, the Senator from Oregon, has re-

ferred to those in the Government service, from the top of the hierarchy—the President of the United States—down to an employee in the Bureau of Indian Affairs. I certainly agree with everything the Senator from Oregon has had to say. I wonder whether I might call to his attention an editorial entitled "More Blessed To Receive," which was published in the Washington Post, and has to do with the position taken by the Vice President in this regard. Let me ask whether the Senator from Oregon has read the editorial.

Mr. MORSE. No, I have not; and I shall be delighted to have the Senator from Pennsylvania submit the editorial, for printing in the RECORD.

Mr. CLARK. Then, Mr. President, I ask unanimous consent to have the editorial printed at this point in the RECORD. I shall say nothing more, other than to thank my friend, the Senator from Oregon, for yielding.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of July 2, 1958]

#### MORE BLESSED TO RECEIVE

Vice President Nixon's defense of Sherman Adams does more credit to his party loyalty than to his political morality. In a television interview on Sunday, the Vice President exculpated the assistant to the President because, as he put it, there has been no proof in Mr. Adams' case that "any favor was granted to the individual who was the gift giver that would not have been granted under the normal circumstances in the administrative process." Mr. Nixon apparently takes the view that it is perfectly all right for a public official to accept favors so long as he does nothing to deserve them. The moral appears to be that it is more blessed to receive than to give.

Overlooking the improbability that, in the absence of aid from Mr. Adams, Bernard Goldfine could have obtained a personal interview about his case from the Chairman of the Federal Trade Commission, Mr. Nixon's philosophy seems highly questionable. This is precisely the rationalization that was offered by some White House staff members in the Truman administration for their acceptance of free hotel rooms and home freezers. Mr. Nixon did not embrace it then; he excoriated it. And the Senate subcommittee investigating irregularities in the Truman administration—a subcommittee in a Democratic Congress under the chairmanship of Senator FULBRIGHT—declared in its report:

"Except for the President and his family, any public official who accepts a gratuity, even if he thinks it is not a quid pro quo, makes a serious mistake \* \* \* he is not getting the gift because the donor likes the color of his eyes. \* \* \* The \* \* \* solution \* \* \* is to refuse \* \* \* any gratuities from businessmen or others who may do business with the Government."

This seems to us the only conscientious conclusion. It is dictated alike by public and by private considerations. Men who occupy high positions of public trust can retain the confidence of the people only if they zealously avoid so much as a semblance of favoritism. And they can be worthy of trust only if they are fastidious enough to resent gratuities from any private source as demeaning to themselves and to their public offices. It is dismaying that the Vice President should be unable to recognize the impropriety of Mr. Adams' conduct or its similarity to the conduct of some of President Truman's aides. Perhaps it is because

of the similarity to his own acceptance, as disclosed in the election campaign of 1952, of a very considerable gratuity from a group of California admirers.

Mr. MORSE. Mr. President, the higher one goes in the Government service, the more rigid should be the rule that gifts and favors will not be accepted. No Goldfine is going to offer a clerk \$2,000 in hotel room expenses without casting suspicion over his motives.

The top officials—including Sherman Adams, let me say—will find themselves in a position where this matter will not be ended, because there are no ethical grounds on which Adams actions can be justified. Mr. Adams receives a salary of \$22,500, and receives travel expenses and a per diem when he is traveling on official Government business. If he needs a vacation, he can do what the rest of the people in the Government service do, namely, spend his vacation at a place where he can afford to stay, and pay—out of his own pocket—all the expenses in that connection, and enjoy a vacation without sully the White House.

Third, Mr. President, when all the veneer is stripped away, Mr. Adams, along with all the others who have been guilty of gross violations of section 10 of the Federal Trade Commission Act, are going to discover that the American people will hold them responsible for their political immorality.

That is why I pointed out, the other day, on the floor of the Senate, the violation of section 10 of that act by Mr. Howrey. That is why I sent to the Attorney General of the United States a letter in which I asked that the Department of Justice see to it that an investigation is made of Howrey and Adams, and that our governmental agencies follow the principle of uniform application of the law to all persons, regardless of rank or position, whether high or low.

Mr. President, I do not believe in a high road for some, in connection with the administration of justice, and a low road for others.

Fourth, Mr. President, we find that apparently Mr. Goldfine improperly deducted his gifts to Sherman Adams as legitimate business expenses. If they were, in fact, business expenses, what did Adams do for Goldfine? If they were truly gifts, Goldfine has violated the Internal Revenue Act. I point out that it is illegal to make gifts or bribes to Government officials to secure contracts or services.

Mr. Adams and Mr. Eisenhower will be judged at the bar of public opinion. In fact, they are being judged now. The only question we have to ask is, "What should be the conduct of a man who is the President's first assistant?" Would we think it all right for him to accept vicuna coats and \$2,000 worth of hotel-room expenses? I think not. Would we think it all right for him to violate the President's confidence by introducing Mr. Goldfine to a Federal Trade Commissioner? I think not. Would we think it right or proper for him to give out information in violation of an act of Congress? I think not.

Mr. President, these are the big questions. They are the key issues so far.

It may be that before the Harris committee is through, the list of indiscretions will be longer. But the cardinal point which has been brought out to date still is the lack of high principles and ethical conduct on the part of such self-righteous crusaders. It will long be remembered in the political history of our country.

It was candidate Eisenhower who, on September 2, 1952, said it will be "my purpose to clean out every vestige of crookedness from every nook and cranny of the Federal Government."

In view of the fact that candidate Eisenhower made that statement, today he should be using a scoop shovel, not a whitewash brush, on Mr. Adams. The President cannot wash Mr. Adams clean. Neither can the present administration. As a Member of this body, I warned the American people, beginning on inauguration day in 1953, that this administration was going to be honeycombed with conflicts of interest, because on inauguration day in 1953, Dwight D. Eisenhower started to appoint a Cabinet which was too full of men who evidently were tarred with a conflict-of-interest brush. As I said once before in regard to this matter, that is why on inauguration day in 1953, I protested the appointment of Talbot; and that is why, during the historic debate which followed, when I blocked confirmation of the Cabinet on inauguration day in 1953, we brought out, here on the floor of the Senate, the failings of members of that Cabinet in regard to the matter of conflict of interest.

Therefore, Mr. President, it should not be a surprise to anyone to see this kind of rooster come home to roost at the White House, because this administration has been honeycombed with conflicts of interest and political immorality from its very beginning.

Mr. President, when crookedness and corruption have been found in the Eisenhower administration, the President should approach the malefactor in the way that a golfer would approach a ball that was stuck in a sand trap. Instead, the President has used a putter in an attempt to get out. But he is going to discover that this is no golf game. He is going to discover that he is being brought before the bar of public opinion; and the political pronouncements, in terms of political expediency and double-talk of which he has been guilty so frequently during his administration, are going to be evaluated now by the American people.

Although in recent days I have been castigated from coast to coast by reactionary editors who profess to be shocked because I have stated on the floor of the Senate that in my opinion history will record the Eisenhower administration as the most corrupt to date in the history of our Republic, I repeat the statement today.

Mr. President, I close by asking this question: "Mr. President, do you still need Adams? The people do not, and it is about time for you to get rid of him."

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks on this matter an article entitled "The Government's Slip Is Showing," written by

Joseph Alsop, and published in the Washington Post of June 29, and an article entitled "Again, It's Up to Adams," also written by Joseph Alsop, and published in the Washington Post of July 2, 1958.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 29, 1958]

#### THE GOVERNMENT'S SLIP IS SHOWING

(By Joseph Alsop)

In close to a quarter-century of Government-watching, this reporter has never seen the Government of the United States in such disarray as it is today. That is the thought which crowds out every other, after the first alarming look at what may be called post-Goldfine Washington.

The worst moments of Franklin Roosevelt's and Harry Truman's administrations were not like this, possibly because neither Mr. Roosevelt nor Mr. Truman ever enjoyed the prolonged, almost universal adulation that President Eisenhower enjoyed in his first term.

Very soon after the famous Hundred Days, the opposition to President Roosevelt became vocal and sometimes even vicious. Mr. Truman, too, had only a short honeymoon period, after which he had to fight strong and determined enemies on every side. Maybe a determined opposition is a good thing for an administration, as exercise is good for the body.

In any case, the Roosevelt and Truman administrations got over their rough patches without any of the symptoms of near-demoralization which meet the eye in Washington today. There was never any sense of the whole show being out of control. There was never any feeling that the man in the White House would not or could not rally his troops and fight back, giving his enemies as good as he got.

In Washington today, however, you get just that sense and just that feeling. They have grown up by stages, and now they have begun to be pretty overpowering. First there were the sputniks, which destroyed confidence in the President's defense program. Then there was the recession, and the long uncertainty of the administration's post-recession economic policy.

Now, there is the curious case of Sherman Adams, which has somehow been much the worst of all. This case is the sort of thing that is bound to happen from time to time in modern government, which has such enormous favors to dispense to private interests. The mistake that was made is a mistake that officials can easily and often innocently wander into, if they are excessively easy-going, like Harry Truman's Harry Vaughan, or passionately parsimonious, like Dwight Eisenhower's Sherman Adams.

Yet Adams' vicuna coat has been a much more deadly blow than Harry Vaughan's deep freezes. The reason was summed up in this poignant sentence of the President: "I need him." No President has ever depended upon a subordinate as the President depends upon Adams. Some of those who should know even argue that the President's health will not stand the added strain, if the still-developing story of Bernard Goldfine and his friends finally forces Adams out of the White House.

Right there, of course, is the central human tragedy of this whole sorry business. President Eisenhower did not wish to seek a second term after the sharp warning of his heart attack. He was persuaded to seek a second term by those around him, with Sherman Adams in the lead; by those in his party who had not rallied to his side, and



by his adulators in the press who are now bitterly attacking him.

If the President had followed his own inclinations, laying down his heavy burden in 1956, he might have gone off to his farm in Gettysburg in a golden blaze of glory. But he yielded to the persuasions that came from so many sides. He carried the burden into another term. His luck ran out. And for reasons that one can easily deduce from those three poignant words—"I need him"—the President seems to be unable to respond to the harsh challenge of his new situation.

The old Hagerty-planned gestures are made. Some of them are pretty appalling gestures, like the contrived visit to George Washington's sword of honor, which was also a "gift." In any case, whether good or bad, the Hagerty gestures no longer have the old effect. And yet there is no substitute for them.

Nor is this, alas, the end of the story. Anyone who has seen the Lebanese crisis at first hand can predict with certainty that the challenges which will confront the President today are far milder than the challenges which will confront him tomorrow or the day after.

With our defense exposed as terrifyingly inadequate, with our economy still in mid-slump, with Sherman Adams still in the White House, the whole long-established system of American foreign relations also looks like it is coming apart at the seams. So still worse disarray must be expected in the future.

[From the Washington Post of July 2, 1958]

#### AGAIN, IT'S UP TO ADAMS

(By Joseph Alsop)

President Eisenhower is leaving the Adams case to be handled by the same man who has spared the President the burden of handling so many other cases: namely, Sherman Adams.

On the one hand he has left Adams to manage his own defense. This has necessarily meant that his defense has been badly managed, although Adams and his subordinates of the White House staff have taken certain defensive measures of an important kind.

The White House staff, for instance, successfully imposed Roger Robb as the chief legal adviser of that artist in friendship, Bernard Goldfine. When Goldfine makes his grand appearance before the Harris committee he will therefore be guided (to the extent he can be guided) by the man Adm. Lewis Strauss chose as chief prosecutor of Robert Oppenheimer. Again, the White House staff has had no difficulty in producing a counterfire of news stories about Government favors asked for constituents by Democratic Members of Congress.

But there are other things Adams and his subordinates have not been able to do. Above all, Adams has not been able to pass his own case in review with the Republican leadership in Congress and in the country. He has not been able to ask men like Senator WILLIAM KNOWLAND to stand by the President when the issue at stake was the President's wish to stand by Adams himself.

It never seems to have occurred to the President that if he was going to stand by Sherman Adams he alone could rally the Republican party's lieutenant generals and major generals in support of their general-in-chief. This, he seems to have felt, was just another matter for his staff to take care of. As a result Vice President RICHARD NIXON is just about the only Republican of any eminence, outside the White House, who has spoken up for the President. And it is known that Nixon did so on his own motion.

On the other hand, the President has not merely left Sherman Adams to manage his own defense. He has further asked Adams to sit in judgment on himself in just the way that Adams sat in judgment on Harold

Talbot and all the other officials of the Eisenhower administration who have been charged with excessive imprudence or actual impropriety.

In one sense it was inevitable that Dwight D. Eisenhower should leave Sherman Adams to decide whether he would go or stay. In the long months of the President's serious illness, when Eisenhower was first entirely incapacitated and then only partly able to carry the burden of the Presidency, it was Adams who boldly and efficiently took the burden on his own shoulders.

An obligation was created in those months—an obligation which the President deeply and rightly feels. He could not ask Adams to go because of the imprudence which Adams has admitted. He could only ask him to go if a showing of impropriety were added to the showing of imprudence.

But despite these limitations on the President's action, he could still have sat in judgment on Adams himself. He could have said, in short, that the decision in this case involving Adams was not up to Adams, but was up to the President alone. He could have told Adams to carry on with his regular business and forget about the Adams case, which he, the President, would take in his sole charge.

This the President has not done, with the result that Adams himself has had to agonize over the key question: Whether his usefulness as the President's chief-of-staff has been or has not been fatally impaired. This is primarily a practical question. An automobile may be orchid-colored and have gilded door handles, but it is still useless if it will not run. A public official may have acted from the most innocent motives, but he is still useless if his actions prevent him from doing his allotted job. But this question about a man's continuing usefulness is not a question which the man himself can easily answer.

It is a melancholy picture that one gets—the picture of Adams barricaded in his White House office, working all day on his own case and sitting in judgment all day on his own case, with precious little help from anyone except James Hagerty and the other able Deweyite on the staff, Thomas Stephens.

But it is also a picture that evokes some concern. For the sake of the good conduct of the Government, one must pray the case will be disposed of, one way or another, just as speedily as possible.

#### INVESTIGATION OF EFFECT ON DOMESTIC INDUSTRIES OF IMPORTATION OF SOUND RECORDINGS FOR AMERICAN FILMS

Mr. MORSE. Mr. President, I submit a resolution, and ask for its appropriate reference.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 320) to investigate the effect on domestic industries of importation of sound recordings or developed picture film, was referred to the Committee on Finance, as follows:

*Resolved*, That the Committee on Finance, or any duly authorized subcommittee thereof, is authorized and directed under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of the effect on domestic industries, and on domestic employment of performing artists and musicians, of—

(1) the importation for commercial use in the United States of sound recordings

and exposed or developed picture film at the rates of duty prescribed by the existing tariff laws of the United States (as modified by applicable foreign-trade agreements entered into by the United States); and

(2) the importation for commercial use in the United States of sound recordings and exposed or developed picture film produced or manufactured in foreign countries by American interests in order to take advantage of beneficial tax consequences of such foreign production or manufacture under the tax laws of the United States;

for the purpose of determining what changes, if any, should be made in such laws in order to protect the domestic industries, and to alleviate any problems of unemployment created by the importation of such sound recordings and such exposed or developed picture film.

SEC. 2. For the purpose of this resolution, the committee, from the date on which this resolution is agreed to, to January 31, 1959, inclusive, is authorized (1) to make such expenditures as it deems advisable, and (2) to employ on a temporary basis technical, clerical, and other assistants and consultants.

SEC. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1959.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed \$50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. MORSE. Mr. President, at the request of Mr. Herman D. Kenin, president of the American Federation of Musicians, I have submitted a Senate resolution to investigate and report on the tragic loss of employment for American musicians resulting from the wholesale importation and use of foreign-made music recordings by American producers of filmed entertainment.

Mr. Kenin tells me that fully half of the 264,000 members of the union can no longer find bread-and-butter jobs in their profession. I have known Mr. Kenin personally for a number of years. He is not the kind of labor leader who cries "wolf." When he tells me that foreign-made music on tape, film, and records is being substituted almost wholly for American musicians in the production of the Nation's filmed entertainment I am convinced that corrective measures must be taken, and soon.

Therefore, I have demanded a Congressional inquiry to develop the facts and determine to what degree the immigration statute which was enacted to protect the American instrumentalist from cutrate competition by the unregulated entry of alien musicians is now being nullified, in effect, by an inanimate foreign musician that now occupies his chair without even going on the producer's payroll. It occurs to me that this robot creation of the electronic tube is a much worse bargain for all of us than the live foreign musician who, when he comes to our shores, must pay for living accommodations, patronize our restaurants and leave with us some of the wages he collects.

Mr. Kenin tells me that of some 125 televised shows being produced on film, less than a dozen now give employment to American musicians; the rest use for-

sign-made music track. A week ago this count stood at less than a half dozen shows, but Mr. Kenin succeeded only recently in improving somewhat the sorry balance sheet.

I want to make it perfectly clear that neither Mr. Kenin nor I seek by this investigation to impose any limitations on the free exchange and trade of musical products. On the contrary, it is our desire to make available to the American public the artistic creations of our friends throughout the world and to acquaint them with our own great cultural achievements.

Specifically, there is and there can be no valid objection to the importation of foreign motion-picture film or the recordings of great orchestras and bands of other lands. These are forthright, honest expressions of the creative genius of the countries where they are made, and their importation to our shores both enriches our own lives and furthers international good will and understanding.

What the American Federation of Musicians does complain about, and justly so, may be fairly described as a species of fraud being perpetrated upon the American public by many American producers of filmed entertainment. The overwhelming bulk of the filmed television shows which each night come into the homes of American citizens are in every visible and audible respect a wholly American-made product. These shows tell American stories written by American writers, enacted by American actors, staged by American stagehands, and, I repeat, in all other respects, are marketed as an American-made product. But with increasing regularity, the accompanying music, so essential to the success of the film, even when composed for the particular film by an American composer, is being scored abroad where musicians are employed at a much lesser rate. And this fact is never disclosed to the public whose patronage ultimately pays for the film.

Nor does this begin to tell the whole sordid story. Frequently, not even foreign musicians are employed to score the music of an American film. Instead, music that had long since been recorded for an entirely different purpose—most often for a foreign-made motion-picture film—has been separated from the outdated movie, imported into this country, and stored in vast libraries that are easily and cheaply available to American TV film makers. This music in can is then put into the uncreative hands of a kind of cut-up-and-paste technician whose composing tools are a glue pot and pair of shears. This artificial product is palmed off as an integral part of an allegedly original creation for the entertainment of the American public.

It seems to me self-evident that the practices I have described would be subject to the strongest condemnation if they were followed by the owners of a private industry built by their own resources and investments. How much more so when it is the prevailing practice of the broadcasting industry—one that has been created and which prospers by the generous gift of a freely li-

censed monopoly of the air waves. It does this without regard to its statutory obligations to promote the fullest free expression of our native talents.

I cannot conclude these remarks without mentioning what is going on at this very moment with respect to a strike of the American Federation of Musicians against the major motion-picture producers in Hollywood, Calif. This strike grows out of a lawful labor dispute. It is being conducted in a manner entirely consistent with all statutory and common-law requirements. It began, as most strikes do, because of an honest difference of opinion around the collective-bargaining table. But, in this instance, the fundamental right to strike is a vague abstraction and its exercise an almost hopeless undertaking. Why? Because American film makers have seen fit to shop around the world for the lowest-priced services of foreign musicians who are willing to attempt to break the lawful strike of their fellow musicians in this country.

It is an intolerable condition when American producers of a widely labeled American-made entertainment product are permitted to deny jobs to American musicians and to break their lawful strikes through the use of inexpensively imported foreign-made substitutions for our vaunted American skills and services.

It is not fair. It is not decent. It is not American. A prompt and full investigation is, in my judgment, an immediate and imperative must.

Because my resolution deals with the jurisdiction of the Committee on Finance, it must necessarily go to that committee. I plead with the Finance Committee to conduct this investigation quickly.

I want to say that as a member of the Committee on Labor and Public Welfare, so far as the labor aspects of the problem are concerned, I intend to press for action by that committee as well.

#### LIMITATION OF APPELLATE JURISDICTION OF SUPREME COURT

MR. CLARK. Mr. President, on June 12, 1958, at the Midwest regional meeting of the American Bar Association held in St. Louis, Dean Jefferson B. Fordham, of the University of Pennsylvania Law School, delivered an excellent and most provocative address in opposition to the limitation of the appellate jurisdiction of the Supreme Court of the United States.

A few days ago my good friend, the junior Senator from Georgia [Mr. TALMADGE], placed in the RECORD an address delivered by Judge Charles J. Bloch in favor of the so-called Jenner-Butler bill, S. 2646—a bill which I hope will never receive the dignity of being brought, by motion, to the floor of the Senate for consideration.

There have been so many speeches either filed in the RECORD or made on the floor of the Senate in support of this, to my way of thinking, totally inappropriate bill, that I request unanimous consent to have printed in the RECORD at this point in my remarks Dean Fordham's closely reasoned and very clear

statement of why the Jenner-Butler bill does not deserve the serious consideration of the Senate.

I also ask unanimous consent to have printed at this point in the RECORD a resolution adopted by the board of governors of the Philadelphia Bar Association at a meeting on June 23, 1958, expressing opposition to section 1 of the Jenner-Butler bill, the section which proposes to remove the appellate jurisdiction of the Supreme Court in bar admission cases.

There being no objection, the address and resolution were ordered to be printed in the RECORD, as follows:

MIDWEST REGIONAL MEETING, AMERICAN BAR ASSOCIATION, JUNE 12, 1958

(Remarks of Jefferson B. Fordham in opposition to limitation or more specific declaration of the appellate jurisdiction of the Supreme Court)

While I am in the posture of taking the negative side in a debate on the question "Whether the appellate power of the Supreme Court should be limited or more expressly declared," I want to make it perfectly plain at the outset that I am not on the defensive. I am not here to defend the Supreme Court. On the contrary, I am here to express appreciation of the unique services which the Court, in recent years, has performed within our constitutional framework in the cause of human rights. As I have said on another occasion, the Court has, in my judgment, achieved a high level of performance in its historical role, which has not been matched by either of the other branches of the National Government. It has shown the highest fidelity to the rule of law.

I have found it almost incredible that lawyers on the Senate Committee on the Judiciary could bring themselves to support the kind of measure, in relation to the Supreme Court of the United States, which we find in the so-called Jenner-Butler bill. In a word, the proposal is so bad that it does not merit more than momentary attention. I have, thus, been greatly heartened by a report in yesterday's New York Times to the effect that the bill looks like a dead duck for this session of Congress. As a lawyer and a citizen, I fervently hope that we can soon put the matter entirely aside as simply an unhappy memory. Meanwhile, we are here to discuss more broadly the question of limitation of the appellate jurisdiction of the Supreme Court or more specific declaration of that power.

We should approach this discussion in adequate context. Insofar as we are talking about the Court's role in constitutional interpretation, we must bear in mind that the Constitution of the United States is, in a just sense, a political instrument. It is a charter of government, one of the most striking features of which is the substantive and procedural safeguards of the Bill of Rights and the post-Civil War amendments designed to protect the individual against the arbitrary exercise of governmental authority.

The interpretation of a politico-legal instrument is necessarily, in a substantial sense, a political process. This is patently the case in a Federal system such as ours, under which problems of interpretation arise with respect to the distribution of powers within the Federal Government, as well as to the distribution of powers between the Federal Government and the States. We are all aware, of course, that in some democratic countries, such as the United Kingdom and France, the courts do not have the power of judicial review with respect to constitutional questions. In France this is so even though that country has a written constitution.



There is no occasion here, however, to re-examine the question whether judicial review of legislation on constitutional grounds is indispensable or highly desirable in our system. I have heard no challenge to that long-established judicial power which is so much a part of our scheme of things.

I will simply add, in passing, that I agree with Mr. Justice Holmes that the Union would be imperiled if the Supreme Court could not declare State laws void as in conflict with the Constitution. I will have more to say about this with specific reference to the appellate jurisdiction of the Court.

Another important general consideration is that the work of the Supreme Court should be viewed in terms of its institutional role and its operative processes as distinguished from preoccupation with particular decisions. Any branch of the Government can reach decisions which are disapproved by a great many of our people. In the case of the Supreme Court the matters which finally come to a decision on the merits by the Court are particularly likely, as all lawyers know, to be quite controversial and open to important differences of opinion. There is no escaping dissatisfaction in some quarters with decisions in such matters.

To take power away from a primary organ of Government because of what some people think is an erroneous decision or line of decisions is to attack the institution and the processes by which it works. Unhappily, in recent years, we have seen manifestation of this kind of thing with respect to each of the three departments of the Federal Government. Philosophically, the "curb the Court" attitude is cut from the same cloth as the Bricker amendment attack upon the treaty power and the Reed-Dirksen attack upon the taxing power of Congress. In each instance the philosophy is negative and, carried to an extreme, could be utterly nihilistic. It has depressed me beyond words that this kind of self-defeating point of view is as widely embraced as it is in a land of free men who should have faith in their institutions and should be dedicated to a positive approach to the resolution of human problems.

The proposition I have just stated is conspicuously sound with respect to the judicial branch of the Government in view of the recognized essentiality of independence of judgment. I think that it would be intolerable to have the work of the Supreme Court continually overhung with the threat of Congressional limitation of appellate jurisdiction. Congress would be in the ridiculous posture of trying to keep the Court in line.

The fact that the legislative branch of the National Government has often enacted measures which did not pass the constitutional test and has been particularly aggressive recently in reaching over into the executive branch is no justification for proposing constitutional amendments to curb the Congress. The President has reacted properly against measures which would violate the separation of powers by giving Congressional committees a veto over executive action. In the long run, strength and firmness in the several branches will tend to maintain a tolerable balance.

I can dispose of the question whether the appellate power of the Supreme Court should be more expressly declared very briefly—at least to my own satisfaction. Some years ago a proposed constitutional amendment, which took the name in popular parlance of one of the Senators who is now bent upon curbing the Court, and which was designed to protect the independence of the Supreme Court and fortify the quality of its membership, gained strong support in the profession. A principal feature of this proposal was a provision ex-

pressly giving the Court appellate jurisdiction as to law and fact in all cases arising under the Constitution, and removing this jurisdiction entirely from Congressional control. The proposal was ably supported by the Association of the Bar of the City of New York and by such distinguished individual lawyers as the late Owen J. Roberts.

As I have previously publicly declared, I do not embrace that proposal. I think that in the complex and delicate system of checks and balances in our political scheme of things we have achieved and maintained a notable degree of independence for the Court at the same time that we have left the Congress free to make change in the pattern of appellate court review, as the total interests of the country might indicate. In spite of the intemperate character of the current attack on the Court, I continue to oppose constitutional change. This is a period in which Congress is in the ascendancy in the political branches of the Government, but that does not mean that it will embrace an ad hoc emotional attack upon the Supreme Court.

I think it is fair to say at this juncture that my opposition to the so-called Butler amendment, which was designed to protect the appellate jurisdiction of the Supreme Court in constitutional cases, places me in a strong moral position to insist on legislative restraint and mature responsibility in the exercise of Congressional power over the appellate jurisdiction of the Court.

I am far from envious of the position of those who are seeking to limit the Court's jurisdiction. A review of the decisions which have been most under attack discloses that nearly all of them have been concerned in one way or another with the meaning and application of the rule of law in the relationship of the individual with government. All under fire in the Jenner-Butler bill have involved some aspect of loyalty or security. They are illustrative of the fact that in this day the focus of the problem of preserving ordered liberty is the clash of security measures with individual freedom. I think that the sensitivity of the Court to individual human values in these cases is an ennobling and invigorating feature of our contemporary America, of which we should all be justly proud. Those who attack the Court are arrayed on the side of governmental authority and against human rights. Their moral position is extremely vulnerable. We hear endless talk about States rights and national security without even a passing apology for the way State authority has been exercised deliberately to deny equal treatment under the law to Negro citizens. I will mention one example. The continuing efforts of southern legislatures to disenfranchise Negro citizens is a mockery which shames me as a native of that region.

This brings me to my next point—States rights argumentation does not assist us in the present discussion. If we put first things first, we shall recognize that what is important is human values, individual and social. Political arrangements in either a unitary state or a Federal union are but means to an end; they have no ultimate significance. They are the organizational tools of society which are employed to protect and assure the realization of human values. To stress States rights as if the State portion of total authority in our system were sacrosanct is to attribute a significance to State power which is sharply at odds with our philosophy that government is the servant of all the people, not the master of even a minority group. In this light we see government in terms of responsibilities and, emphatically not, of powers, jurisdiction, or authority. The purpose of entrusting authority to government is to enable it to discharge responsibilities relating to the welfare of man as a social being.

In this perspective it should be evident that the central problem in the public school

desegregation cases did not have to do with State jurisdiction of public schools—no one questions State jurisdiction. The problem related to the method of exercising State jurisdiction in a way to meet the States' responsibility to deal evenhandedly with persons under their jurisdiction as required by the 14th amendment. It is not significant here that the 14th amendment fails to refer specifically to public education. A broad safeguard of human rights is not the sort of thing that would be so drafted as to refer explicitly to this or that area of governmental jurisdiction. What the 14th amendment does, among other things, is to make it the law of the land that the States, as members of the national Union, bear an enforceable responsibility to live by the rule of law in dealing with persons under their jurisdiction.

It is time that I get down to cases. It is not feasible in the time available to me to consider all of the decisions of the Court, which have been the subject of vigorous criticism in the current "curb the Court" movement. To confine the discussion within manageable limits I shall focus attention upon the cases which were the subjects of attack in the original Jenner bill and in the amended bill as reported out by the Committee on the Judiciary of the Senate. The original bill was designed to take from the Supreme Court all appellate jurisdiction in cases in which there were drawn into question the validity of two classes of Federal governmental activity and three classes of State and local governmental activity. The first relates broadly to "any function or practice of, or the jurisdiction of, any committee or subcommittee of the United States Congress, or any action or proceeding against a witness charged with contempt of Congress." It was aimed at *Watkins v. United States* (354 U. S. 178 (1957)). It is important to indicate briefly what was decided in that case.

Watkins was prosecuted under the Federal statute which makes it a crime to refuse to answer a question pertinent to an inquiry being conducted by a Congressional committee. The committee in this case was the Un-American Activities Committee. Watkins was subpoenaed and appeared before a subcommittee of that committee. He was an individual with a long career in labor affairs, principally in the Farm Equipment Workers Union. There was no explicit indication, either by statute or resolution or by statements by the subcommittee or its chairman, as to the scope and thrust of the inquiry. At the hearing, Watkins testified very freely as to his own past political associations and activities, but refused to answer when asked whether 30 individuals, whose names were read to him, had been members of the Communist Party. He did not rely upon the privilege against self-incrimination; instead, he insisted that this line of questioning was not relevant. It was for this refusal that he was prosecuted and convicted. The Supreme Court reversed by a vote of 6 to 1. In effect, the Court held that the scope of the inquiry had not been sufficiently defined to afford the witness a basis for determining, at the peril of fine or imprisonment, the pertinency or relevancy of questions asked; there was no definite indication that the question under inquiry was communism in the labor movement. One may disagree with this result, but it is surely a rational position. It is perfectly plain that it is not due process of law to subject an individual to criminal punishment under a statute which is so vague as to leave the individual unable to make a reasonable determination as to where the legal line is.

Of course, it can be argued that the investigation of communism in general is a sufficiently definite "question under inquiry." The Court refused to uphold the delegation to a committee of such a broad

range of inquiry. Its reasoning was a bit elusive but the thrust of it, I think, is that such a broad committee charter leaves the situation well nigh vagrant and affords no satisfactory basis for judicial determination of individual rights as affected by committee action.

It is understandable that the Watkins case aroused criticism and resentment in Congress, especially as aggressive and bossy a Congress as the 85th, but when we look at the situation calmly one is hard put to find anything at all extreme in what the Court did. Surely, if witnesses are to be subject to punishment for contempt of Congress for refusing to answer questions, it makes sense for the courts to insist that witnesses be afforded a good indication of what the inquiry is about. It remains to be demonstrated, moreover, that Congress is hampered by a decision which merely says, in effect, if you are going to hail your principals, the citizenry, before you and make them talk about their activities and associations, you must make it reasonably clear what you are driving at.

It will be seen that the original Jenner bill was not confined to the kind of problems involved in the Watkins case, but would have removed committee functions, practices and actions generally from the reach of the appellate jurisdiction of the Court. The bill, as reported out by the committee, while still highly objectionable, is a far cry from the original proposal in this respect. It is not addressed to the jurisdiction of the Supreme Court. What it does is add a proviso to the criminal statute involved in the Watkins case, which would make a ruling of a legislative committee final on any question of pertinency raised by a witness. Certainly, as to a question which might go beyond the very Congressional power of inquiry, as distinguished from a question objectionable because not relevant to a particular legitimate inquiry, this provision is open to grave constitutional doubt. It is an extraordinary thing, moreover, in that it would make a man's liberty depend upon a determination by a legislative committee of a mixed question of law and fact without any of the normal safeguards of criminal procedure. This is a curious retreat from the original attack on the appellate jurisdiction of the Court.

A second provision of the original bill would have excluded Federal activity concerned with removing individuals from service in the executive branch of the Government for security reasons from the range of the appellate jurisdiction of the Supreme Court. This was obviously an attack upon the decision of the Supreme Court in *Cole v. Young* (350 U. S. 900 (1955)). There the Court interpreted the pertinent Federal statute, which authorized summary suspension of Federal employees, in certain executive areas, in the interest of national security, to be applicable only to so-called sensitive positions. There is no occasion to go into a detailed discussion of this case, but it is obvious that summary suspension without procedural safeguards is drastic action, not in keeping with the well-developed policy of the civil-service laws. I do not believe that the Court in anywise abused its function of interpretation in interpreting the statute as it did. In any event, the Jenner bill, as reported out by the committee, has omitted any provision on this subject, either by way of restricting the jurisdiction of the Supreme Court or by way of substantive regulation of the subject matter. This omission is the best feature I can find in the Jenner bill.

The third provision of the original Jenner bill would have excluded from the Court's appellate jurisdiction any case involving the validity of any statute or executive regulation of any State designed to control subversive activities in the State. This merits but brief comment. It was just as extreme

as the provision as to admission to the bar. Because of dissatisfaction with the decision in *Commonwealth of Pennsylvania v. Nelson* (350 U. S. 497 (1956)), the bill's sponsors were willing to sacrifice traditional judicial recourse for the individual against arbitrary governmental action.

In the committee version of the bill this provision did not survive. There was substituted a provision designed to lay down a rule to overcome the Nelson decision. Misrepresentation of the Court's decision in this case reached an extreme in the strange hue and cry over the case. Let's review what actually happened.

Nelson was prosecuted in a State court of Pennsylvania under what is commonly known as a Little Smith Act. This statute made it a crime to attempt to overthrow by force and violence the government of the Commonwealth of Pennsylvania or the Government of the United States. The indictment in this case, however, charged offenses only against the United States Government. Defendant's trial resulted in conviction, and the Superior Court of Pennsylvania affirmed per curiam. The Supreme Court of Pennsylvania, with one justice dissenting, reversed. That court held that the State law, insofar as it referred to offenses against the Federal Government, had been superseded by the Smith Act. The Supreme Court of the United States upheld the view of the highest court of the State. The Court, speaking through the Chief Justice, reasoned that the Federal statutes on sedition constituted a pervasive pattern of legislation on a matter of dominant Federal interest where dual governmental activity might cause serious embarrassment of administration. These are the traditional dogma familiar to problems of regulating commerce or labor, where most supersession cases have arisen.

The outcry that followed this decision has tended again to obscure the true nature of the determination. It has been asserted by nearly all of the critics that the Nelson case has stricken down all State legislation dealing with sedition and subversion. There is no warrant for reading the case in so broad a fashion. All the facts presented and all that the Court decided concerned the power of a State to prosecute as a crime acts directed toward the overthrow of the Federal Government. It merely affirmed the State court decision.

The fourth area of exclusion from the appellate jurisdiction covered by the original Jenner bill was cases involving the validity of rules, bylaws, or regulations of educational boards concerning subversive activities in its teaching body. This absurd provision has also headed for limbo. It was a reaction against the Court's decision in the *Slochower* case (*Slochower v. Board of Education* (350 U. S. 551 (1956))), in which the Court determined that the application of a New York City charter provision calling for summary dismissal of a city employee, who invoked the privilege against self-incrimination in an official inquiry, to a Brooklyn College teacher with respect to testimony before a Congressional committee denied due process. The Jenner group would employ a blunderbuss and fire it at random at whatever cost to the dignity and intellectual freedom of teachers.

Of the five restrictions on the appellate jurisdiction of the Court, which appeared in the original Jenner bill, only the fifth remains in the bill as reported out by the committee. That is a provision relating to admission to the bar in any State. It is a proposal by 10 lawyers that no matter how flagrant a denial of Federal constitutional rights there may be in relation to admission to the legal profession, the highest Court in the land is not to have jurisdiction to review the matter. Thus, if a State board of bar examiners were to deny admission because of race or religion and this were up-

held by the highest court in the State, there would be no recourse to the Court, which otherwise has the final voice in interpreting the Constitution. What, one may ask, could possibly bring a group of lawyers to espouse a measure which is so insensitive to 14th amendment protection of human values? The answer is that they were striking at two recent decisions of the Supreme Court involving admission to State bars of individuals with actual or possible past Communist associations. In the case of *Schwartz v. Board of Bar Examiners of New Mexico* (353 U. S. 232 (1957)), the State supreme court had upheld the exclusion of Schwartz from the State bar examination. He had been a member of the Communist Party for some 6 years ending in 1940. There was extensive evidence that he was a man of high ideals and good repute. The State court, in supporting a determination that he had not shown the required good moral character, declared that one who had had such a Communist association as Schwartz was a person of questionable character. The Supreme Court considered this so unwarranted and arbitrary as to amount to a denial of due process of law.

The second case was *Konigsberg v. State Bar of California* (353 U. S. 253 (1957)). Konigsberg was denied certification to practice law in the State because he had refused to answer questions as to whether he had ever been a member of the Communist Party, although he asserted unequivocally that he did not advocate the overthrow of the Government by force or violence or other unconstitutional means. Nonadvocacy of forcible overthrow was a State requirement for admission. Forty-two persons attested his good character. No one testified that his moral character was bad. There was testimony that he had attended party meetings in 1941, which was a time when the Communist Party was a recognized political party in the State. The Supreme Court held that he had been denied due process. Justice Frankfurter dissented because it was not at all clear to him that the State court had in fact passed upon a claim properly before it under the due process clause of the 14th amendment. So far as he could tell that court may have rested simply on a non-Federal ground—refusal to answer questions testing the reliability of applicant's denial that he espoused forcible overthrow of the Government. Justices Harlan and Clark agreed with this and also dissented on the merits.

I think the unanimous decision in the Schwartz case is perfectly sound, but I agree with the dissenters in the Konigsberg case. This, however, is quite irrelevant. In both cases the Court was concerned, as it must be, with the limitations the 14th amendment places upon the exercise of State authority. There was occasion for concern about the danger to freedom of political thought from inquiry into political ideas and associations. Human judgment can never approach the infallible and I predict that the Konigsberg decision will not stand the test of time—that is, if the Court is left with appellate jurisdiction to modify the authority of the decision.

The committee added a provision to the Jenner bill which is directed to a holding in the *Yates* case. *Yates v. United States* (77 S. Ct. 1064 (1957)). In that case the Court upset convictions under the Smith Act. Among other things it interpreted the Smith Act not to proscribe the advocacy and teaching of violent overthrow as an abstract principle as distinguished from incitement to action. Had it interpreted the act otherwise it would have faced a serious freedom of speech question under the reasoning in earlier cases. It noted this and was moved by it toward the interpretation adopted. It, thus, avoided the constitutional question.



The committee proposal is not clear but is probably intended to make advocacy of violent overthrow as abstract doctrine punishable. Thus, we find in the bill another example of committee insensitivity to the constitutional safeguards of the Bill of Rights.

This review of decisions indicates, I think, that the sharp criticism of the Court with reference to them has been thoroughly unjustified, if not outright irresponsible. The critics have no case, but even if it could be said that some of the decisions were pretty far out of line there would be no occasion to restrict the appellate jurisdiction of the Court. There is so much at stake in the maintaining of the traditional role of the Court that even a number of bad decisions would be of infinitesimal size in comparison. As we have already seen a curb-the-Court attitude is an attack upon the independence of the judiciary.

An ad hoc piecemeal attack upon areas of jurisdiction is a crude blunderbuss method which has no discernible relation to rational policy in the distribution of judicial work and the interpretation of the Federal Constitution and statutes. If the appellate jurisdiction is to be reexamined it should be done in terms of the role of the Court as an institution and of the overall needs of the country with respect to the administration of justice. I do not now see any occasion for that sort of reexamination.

It would be bad enough, as others have observed, to have no unifying review of Federal cases; that would leave the law of the land to be interpreted differently in different circuits. Even worse would be elimination of Supreme Court review of State cases involving Federal constitutional questions. The Constitution could not be preserved as one supreme law of the land for all the people, as provided by article VI without such review. An attack upon it is an attack upon the Union. Let the Court curb bear in mind that they are playing with fire.

For my part, I applaud the Court and hope that a more perfect realization upon the part of American lawyers of the great service the Court has been rendering the cause of human freedom and equality will stimulate us to establish in the American Bar Association a strong and active section on human rights. This thought I warmly commend to President Rhynne. Meanwhile, let us bestir ourselves to do all we can to give living vitality to the values espoused by the Bill of Rights and the post-Civil War amendments with the hoped-for effect that America will set a truly worthy example before a troubled world, which needs, more than anything else, our moral leadership.

PHILADELPHIA BAR ASSOCIATION,  
Philadelphia, Pa.

EXCERPT FROM THE MINUTES OF THE MEETING  
OF THE BOARD OF GOVERNORS HELD JUNE  
23, 1958

Whereas United States Senate bill 2646, known as the Jenner-Butler bill, seeks to remove appellate jurisdiction of the United States Supreme Court in certain instances; and

Whereas the board of governors of the Philadelphia Bar Association is opposed to all limitations of the appellate jurisdiction of the United States Supreme Court in cases arising under the Constitution of the United States; Therefore, be it

Resolved, That the board of governors of the Philadelphia Bar Association go on record as opposing that section of Senate bill 2646 which attempts to limit the appellate jurisdiction of the United States Supreme Court as to the "validity of any law, rule, or regulation of any State, or of any board of bar examiners, or similar body, or of any action or proceeding taken pursuant to any such law, rule, or regulation pertaining to the admission of persons to the practice of law within such State"; and further,

Resolved, That the board of governors of the Philadelphia Bar Association advise our Senators and Representatives at Washington of this stand and forward them copies of this resolution.

EMIL F. GOLDBERGER, Secretary.

#### EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. CLARK. Mr. President, I send to the desk for appropriate reference an amendment intended to be proposed by me to H. R. 12591, a bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Finance.

Mr. CLARK. Mr. President, the amendment which I propose would make permanent the Trade Agreements Act, instead of extending it for a period of 5 years.

I have noted with interest the efforts being made on behalf of what are, in my judgment, misguided protectionists dealing in the 19th century tradition of trade to curtail the authority of the President under the Trade Agreements Act and to limit the term to which the act, which has now passed the House, would be extended.

I note for the RECORD that the original Trade Agreements Act of June 12, 1934, had a stated life of 3 years. Since that date the act has been extended nine times; in 1937, 1940, 1943, 1945, 1949, 1951, 1953, 1954, and 1955. This is the proposed 10th extension. Over this period of years, the average extension has been for a little more than 2 years.

I point out that since the present administration took office it has been unable to get the act extended for more than 1 year at a time on two occasions, and on the third occasion for only 2 years.

The time and expense consumed in these periodical extensions of the act are well known. The House hearings started on February 17, and concluded on March 25. About 200 witnesses were heard, and statements and written material introduced into the RECORD total almost 3,000 pages.

On June 20, 1958, the Secretary of State, John Foster Dulles, appeared before the Senate Committee on Finance in support of the House bill. I ask unanimous consent that the statement he then made be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE JOHN FOSTER DULLES, SECRETARY OF STATE, BEFORE THE SENATE COMMITTEE ON FINANCE ON EXTENSION OF THE TRADE AGREEMENTS ACT (H. R. 12591)

Mr. Chairman and members of the committee, 4 months ago I spoke before the House Ways and Means Committee in support of the President's proposal to extend and strengthen the Trade Agreements Act. I now direct myself to the bill which has come to this committee from the House of

Representatives. It represents some alteration of the bill as originally introduced. The changes, however, are acceptable to the Executive and H. R. 12591 as received in the Senate has my full support.

The Secretary of Commerce will speak to you about the compelling reasons of domestic economy policy for strengthening and extending the Trade Agreements Act. The Secretary of Labor and the Secretary of Agriculture will doubtless present further convincing evidence of the importance of the program from the domestic viewpoint.

I shall direct myself primarily to foreign-policy consideration.

II

We live in a world which is new in terms of its political structure and its economic demands. Twenty countries have won their political independence within the last 15 years and this trend is likely to continue. Seven hundred million people are directly involved in this rapid transformation from the long-established system of colonialism. The very rapidity with which this transformation is occurring presents a major problem—how to achieve and maintain political stability.

Mass aspirations follow these new grants of independence. They are contagious and spread to other lands. The demands for improved living conditions are insistent. No possible sources of assistance are dismissed out of hand. Present Free World nations may prefer to buy and sell within the Free World. But if they are frustrated in their efforts to do so, they can be expected to direct their search elsewhere.

Although no international wars are being fought today, our security is menaced, not only by the vast Soviet military buildup, but by the efforts of international communism to turn the worldwide changes to selfish use as steppingstones to world domination.

If we are to combat this evil successfully, a better international order must be built and the United States must be in the forefront of that effort.

Fortunately for us, the Free World is not disunited. It works together and provides dispersed power to retaliate against armed aggression. Military unity is imperative and must be continually strengthened. But this requires high morale throughout the Free World and a willing spirit of close cooperation. Such an atmosphere is not created and maintained through military cooperation alone. Economic security is indispensable to all our allies and friends. It is essential that their relationship to the United States contribute not only to their military security but also to their economic well-being.

III

The strategy of Communist imperialism involves the subversion of country after country until the United States is isolated and subject to economic strangulation. You have heard repeatedly Mr. Khrushchev's threat of war in the peaceful field of trade and his boast that the Soviets will win this war because of the superiority of their system. I have said before—and I say again—it would be reckless to treat this threat as negligible.

The Soviet Union is rapidly developing its weapons for waging economic warfare against the United States and has achieved an industrial level which enables it to export manufactured goods in increasing quantity and variety, and to take in exchange large amounts of natural products, whether agricultural or mineral, for their own use or to dump on Free World markets. Through pursuing this course, they hope to gain dominance—first economically, then politically—in many countries which need an assured foreign market.

Our Government has, by treaty or resolution, declared, in effect, that the peace and

security of the United States would be endangered if any of nearly 50 countries were to be conquered by Communist imperialism. But, declaring this is not enough. We have to convince both friend and foes that we will do what is needed to prevent the Communist conquest. So we have the policies and actions represented by our mutual-security program and by the Trade Agreements Act.

Some seem to believe that national policies which aim to assure a congenial and friendly world environment are un-American or unpatriotic. The fact is that from our beginning United States doctrine has proclaimed that our own peace and security are bound up inextricably with conditions of freedom elsewhere. Today that doctrine, the doctrine of interdependence, is the cornerstone of Free World policy.

## IV

How has trade figured in these developments? During the depression of the early thirties, many countries tried to restore their economies by tariffs, quotas and currency manipulations. We did those things, and did them without regard to the effect upon others who were largely dependent on international trade. But the domestic relief we expected did not come. And by 1934 the decline in world trade brought to power, in several countries, leaders so nationalistic and aggressive as to constitute a major cause of World War II. They sought to expand their national domains at the expense of weaker neighbors on the ground that they could not assure their people a living standard by normal methods of peaceful trade. The price we all paid in World War II will, I hope, help us to avoid such shortsighted action in the future.

So far as the Free World is concerned, the trend since that war has fortunately been in the other direction. In this movement to liberalize trade, the United States has been an indispensable leader. Our Trade Agreements Act, first enacted in 1934, and since extended 10 times, has reflected our desire and purpose to promote the mutually advantageous expansion of world trade.

Some elements of United States industry try to improve their competitive position by implying that any competition from abroad, merely because it is foreign should for that reason be barred. This viewpoint, I repeat, cannot be accepted as United States policy without endangering our whole Nation. This is not to say there are no cases where foreign competition should be restrained. There is a wide range of such cases and protection is in fact accorded. It is true, however, that any general disposition to exclude foreign goods simply because they are competitive would gravely disrupt economic, political, and spiritual relationships which are required for our own welfare and for the defense of our peace and freedom.

You may ask what is the proper relationship between the progress of the trade program and the interests of domestic procedures. Let me say this. Almost every national policy hurts some and benefits others. The form of our taxation; the nature of our defense purchases; the location of Government operations—all of these and many other national policies inevitably tip the scales of competition. Often, and certainly in the field of trade, the few who may be hurt, or fear that they may be, are more vocal than the many who may gain. That is their right. But the Congress has a duty, that is to serve the overriding national interest.

## V

Important as the trade agreements program has been since its inception in 1934 and since World War II, I anticipate a progressively more vital role for the program in the future.

The program is one of our most effective tools for combating the emerging Soviet strategy of political economic penetration

into uncommitted countries through the offer of trade and economic aid. Since 1954 economic assistance extended by the Communist bloc to countries outside the bloc has amounted to one and a half billion dollars. Since 1954 the exports of the Communist bloc to the free nations have grown 70 percent. In 1957 they amounted to some \$3.1 billion. Furthermore, the number of bloc trade agreements with the free nations has more than tripled in the last 3 years, rising from 49 at the end of 1953 to 149 at the end of 1957. From what we know of the economic potential of the Communist bloc, there is reason to believe that this performance can be greatly augmented within the next few years. The State-controlled economy of the Soviets is well suited to swift changes in quantities and destination of exports. The shortage of virtually all consumer goods within the Soviet area means that additional quantities of a wide variety of imported materials can be absorbed with ease.

The danger of the Soviet economic offensive arises from the fact that to the leaders of Communist imperialism economic ties are merely another means of gaining ultimate political control. If through trade and economic assistance they can bring free nations within their economic orbit, they will have paved the way for political victory. Even though responsible leaders in the recipient countries also know this, desperation for markets in order to meet the aspirations of their people can tempt those governments to gamble their political independence rather than refuse Communist aid and trade.

To this challenge, our basic answer is our trade agreements program, coupled with our own aid program. The free world as a whole certainly offers by far the largest market for the raw materials that provide most of the money income of the less developed countries. This offer can only be realized, however, so long as the dominant free world trade trend is in the direction of opening markets and expanding trade to the maximum.

## VI

In Western Europe we see unfolding a great new movement toward economic unity. This is the European Economic Community established by the Treaty of Rome, which entered into force on January 1, 1958. Through this treaty six nations on the European continent—Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands—have agreed to eliminate all barriers to trade among themselves and to act toward others as a single economy. They will form a single common market of 170 million customers with a total import trade which, last year, was larger than that of the United States. This new market will, in time, have a single uniform tariff, and a common trade policy, which it will apply to imports from the United States and other countries of the free world.

This development has been encouraged by the United States, both the Congress and the executive branch, since the early days of the Marshall plan. It should now be our policy to cooperate with the new Economic Community of Europe to the end that both the United States and the European Economic Community will contribute to the economic strength and well-being of the free world as a whole.

The next 5 years will be the critical, formative years of the European Economic Community. This is a major reason why it is essential that the trade agreements program be renewed this year for 5 years. During this period long-lasting decisions will be made as to the level of the European common external tariff and as to the other commercial policies which the Community will adopt. The best opportunity we will have to negotiate with the Community the tariff reductions most advantageous to our export trade will be before the new tariff becomes

firmly established. We would seek to negotiate tariffs lower than those to which the countries comprising the European Economic Community are presently committed.

The procedure and timetable which its members contemplate for the establishment of the common market illustrate the need for extending our program for not less than 5 years.

The first step in reducing internal tariffs, within the common market, will be taken next January 1, when internal duties are to be reduced by 10 percent from their present levels. Thereafter there will be progressive reductions until internal tariffs are completely eliminated by the end of 1972. These reductions are important to us because after the first of next year, goods produced within the common market will have a steadily increasing advantage within the common market area over American and other Free World goods.

With respect to external tariffs, the plan is this: The European Economic Community has informed us that they expect to have their proposed, or target, tariff (which they are now negotiating among themselves) available for examination by us and others about the end of 1959.

The objective of this examination will be to ascertain whether the target tariff accords with the obligations which the common market countries have previously assumed under the General Agreement on Tariffs and Trade. In this context, we shall want to be satisfied that the target external tariff is not on the whole higher, nor more restrictive than the separate tariff schedules of the six countries now in effect.

We shall also look at the individual items to be certain that the commitments which others have made to us are maintained.

After we have completed this examination, we will have to prepare the United States position for negotiations and choose the items on which we might be willing to consider tariff concessions. This will include point-by-point investigations by the Tariff Commission. This whole process will take at least 18 months from the date on which we receive the target tariff. This timetable makes clear that under the best of circumstances negotiations with the European Economic Community cannot begin until 3 years from now. The negotiations themselves would take at least a year, bringing us at least to mid-1962. It is only prudent to allow another year for slippages. Finally, other countries will not be willing to make the complex preparations for these negotiations unless they are sure that the United States Government has authority to see them through to completion. For all these reasons the full 5-year extension is a necessity.

Another point I wish to make is this: Our trade agreements program has been accepted in this country now for 24 years. I think it is clear that the program has been successful and has benefited this country greatly. I believe that most people in this country look upon the program as continuing and permanent. It would, to my mind, be unthinkable to discontinue it.

On each of the 10 times that the Trade Agreements Act has come before the United States Congress for renewal, there has been a period of uneasiness and concern among our friends throughout the Free World. Because the United States is the ranking supplier or consumer of so many commodities, its trade policy is a matter of vital interest to the overall economy of many countries. The question of whether the United States is going to continue to buy a given country's products so as to enable that country to accumulate dollar exchange with which to buy needed supplies for the well-being of its own people is often nearly a life and death proposition.

For one reason or another people abroad have acquired the impression that trade-restrictionist sentiment is growing in the



United States. Whether this impression is correct or not—and the recent passage of this renewal bill in the House would certainly indicate the contrary—the belief injects an element of instability and danger into the future which is not conducive to cooperation or to our national security.

Why, then, should we insist upon the reargumentation of its merits every 3 years or oftener and lead our friends abroad to fear we may suddenly reverse our trade policy? The Trade Agreements Act has become a symbol around which other Free World countries develop their trade policies and make their plans. Greater stability in our program will certainly mean greater stability in their programs. Can there be any doubt that such stability would benefit us all?

This stabilizing of our basic policy would not of course mean freezing our procedures; if during the 5-year period experience shows the need for improvements in the legislation, these can of course be accomplished.

#### VII

A few days ago (June 6, 1958) I made a statement to the Foreign Relations Committee dealing with the basic aspects of our foreign policy. In the course of that presentation I made a statement about world trade which I should like to repeat here today:

"The world of today requires better economic health than was tolerable in past times.

"International trade is more than ever important. Our own foreign trade is now approximately \$32.4 billion a year and provides employment to 4½ million of our farmers and workers. International trade is even more vital to the economic life of many other free world countries.

"A principal instrumentality and the outstanding symbol of our attitude to international trade is our Trade Agreements Act. The principle of the act was first adopted in 1934, and 10 times the Congress acted to renew it. Any failure now to renew it would be a grave blow to the world's economy, including our own, and it could be fatal to security."

Mr. Chairman, that is a blunt statement. But to put it less bluntly would, in my opinion, fail to portray the immense importance to the United States of the legislation now before us.

Mr. CLARK. Mr. President, I invite particular attention to this comment in Mr. Dulles' statement:

On each of the 10 times that the Trade Agreements Act has come before the United States Congress for renewal, there has been a period of uneasiness and concern among our friends throughout the Free World. Because the United States is the ranking supplier or consumer of so many commodities, its trade policy is a matter of vital interest to the overall economy of many countries.

Our indecision in this regard has required an enormous amount of Congressional, Presidential, and administrative time to be spent to obtain repeated renewals of a policy which is now firmly imbedded in our law. That seems to me to be a serious mistake.

Mr. President, instead of attempting to curtail the period to a 5-year extension, as provided by the House, in my humble opinion we should make the act permanent. That is the purpose of my amendment.

Mr. President, I do not mean that in any way Congress should give up its traditional control over tariff and trade policy. I merely suggest that until such time as the Congress can summon a majority to reverse a well established and sound policy, we should not be plagued

every few years with such an enormous waste of legislative and executive talent, to preserve a position which should be rockbound and firmly established as a part of our international policy—certainly until the major opinion in the country and in the Congress shall change. I am therefore hopeful that the amendment will receive the favorable consideration of the Senate when the bill comes before us in the near future.

Mr. President, I desire to turn to another subject.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

#### REPORT ON UNEMPLOYMENT SITUATION WITH RECOMMENDATIONS FOR ITS IMPROVEMENT

Mr. CLARK. Mr. President, I shall send to the desk in a moment a resolution which I intend to submit for myself and other Senators. The resolution refers to the Employment Act of 1946, which requires in specific terms that certain information be made available to the Congress. This information includes current levels of employment, production, and purchasing power; levels necessary for maximum employment, production, and purchasing power; current and foreseeable trends; the effects upon these levels of the Government's economic program and of economic conditions affecting employment; and a program and recommended legislation for obtaining maximum employment, production, and purchasing power.

I believe that anyone who reads objectively the economic report transmitted to the Congress in January of this year will agree that it does not furnish the information called for by the act. It was a good historic review of what had been happening in the economy. But it provided nothing, in quantitative terms, about the levels of employment, production, and purchasing power necessary to carry out the objectives of the act, or about current and foreseeable trends in relation to those levels.

It scarcely looked ahead at all, even in qualitative discussion. Projections were practically nonexistent. As a consequence, it was not of much use to the Congress in formulating programs for maximum employment, production, and purchasing power.

However, my object today is not to hash over the past. What I am presently concerned about is that future reports be compiled in such a way as to carry out the mandate of the law, and that another section of the law be utilized at this particular time.

That is the section that authorizes interim reports from time to time. It is my understanding that up through 1952 an interim report was prepared each summer and sent to the Congress. It is my further understanding that since 1952, no such reports have ever been prepared.

Certainly, it is in times like these—when the economy is operating at far less than maximum levels—that the idea of an interim report has special significance.

I believe that this Congress needs a supplementary economic report before adjournment so that we can compare the state of the economy as it looks from the White House with our own views before we go home for the year.

The President and his advisers have been most optimistic about our national economy. Let us see the basic data on which that optimism is based.

We are entitled under the Employment Act to projections in quantitative terms. It is plain that that is the intention of the act. It is also plain that, in no other way, can the Congress get the information which it needs.

Accordingly I submit, for appropriate reference, on behalf of myself and the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], the Senator from Illinois [Mr. DOUGLAS], the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Wisconsin [Mr. PROXMIRE] a resolution requesting the President to transmit to the Congress by August 1 a supplementary report as authorized by the Employment Act of 1946.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 321) requesting the President to transmit a supplementary report to the Senate on the unemployment situation with recommendations for its improvement, submitted by Mr. CLARK (for himself and other Senators), was referred to the Committee on Banking and Currency, as follows:

Whereas section 2 of the Employment Act of 1946 declares that " \* \* \* it is the continuing policy and responsibility of the Federal Government to use all practicable means \* \* \*, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining \* \* \*, conditions under which there will be afforded useful unemployment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power;" and

Whereas section 3 (a) of the said act directs the President to transmit to the Congress an annual economic report setting forth " \* \* \* (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and a review of the economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as he may deem necessary or desirable;" and

Whereas section 3 (b) of the said act provides that "the President may transmit from time to time to the Congress reports supplementary to the Economic Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 2" of the said act; and

Whereas there have been significant changes in the levels and trends of employment, production, and purchasing power since the Economic Report of the President was transmitted to the Congress on January 20, 1958, and no supplementary

report has been transmitted since that date; and

Whereas in view of the changes in the economy a current report setting forth the data specified in section 3 (a) of the said act would be of special assistance to the Congress during its present session: Therefore be it

*Resolved*, That the President is hereby requested to transmit to the Congress prior to August 1, 1958, under the authority provided in section 3 (b) of the Employment Act of 1946, a supplementary report which shall set forth the data specified in section 3 (a) of the said act and, in particular, the levels of employment, production, and purchasing power needed to carry out the policy declared in section 2 of the said act, the current and foreseeable trends in the levels of employment, production, and purchasing power, and supplementary or revised recommendations to achieve the policy declared in section 2 of the said act, setting forth the data relating to levels and trends as far as feasible in quantitative terms.

#### AMENDMENTS TO SAVE THE LOW-RENT HOUSING PROGRAM

MR. CLARK. Mr. President, I turn to another subject and I do so with some diffidence, noting the not unaccustomed scene in the Senate of my good friend, the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] occupying the chair and of a Senator talking to an otherwise absolutely empty Chamber.

Mr. President, I would not detain my good friend in the chair were it not for the Senate rule which requires that any statements or speeches which are not actually delivered appear in the CONGRESSIONAL RECORD in such small type that only the very young and those with hawk eyes are ever able to read them. So I apologize to my friend for detaining him longer. I wish I also could go off on my Fourth of July vacation, but the subject matter which I have in mind I know is of keen interest to the Presiding Officer as well as to me, and I believe it will be useful that the remarks appear in the CONGRESSIONAL RECORD, so that when the housing bill comes before the Senate, as it will in a few days, other Senators will at least have the benefit of one junior Senator's thinking about how important indeed that bill is.

Mr. President, when the Senate takes up the proposed housing act of 1958 in the next few days, we will have under consideration the most important changes in the concept of public low-rent housing since the program was initiated 21 years ago. These amendments constitute title IV of the bill reported by the Banking and Currency Committee.

In the 21 years since its inception, public housing has been under constant attack by implacable enemies. But the Senate of the United States has traditionally come to the aid of this embattled program and preserved it from destruction.

Today, the long-time enemies of low-rent housing are trying to discredit these amendments as the latest phase of their unremitting effort to extinguish this program.

My remarks this afternoon are addressed to those Senators who have stood by public housing through the

years so that they will understand the necessity at this time for the basic changes in the program which a majority of our committee has recommended. I hope that I can clear the air of some of the confusion about these amendments which has been created.

#### LOW-RENT HOUSING IS STILL NEEDED

When the public housing program was launched 2 decades ago, Franklin Roosevelt had declared that "one-third of the Nation is ill-housed." Today, the proportion is somewhat lower. Perhaps only one-fourth of our people now live in housing that ought to be demolished, or is without toilet facilities or running water. But while the proportion may be slightly smaller than 20 years ago, we have probably hardly more than kept up with population growth. The total number of slum dwellers today is probably not significantly less than then. Indeed, there is much evidence that in many of our cities we have been losing ground in housing—not gaining.

Our experience over 20 years has shown that the original proponents of public housing were correct. At that time, some said, "Give private enterprise a chance, and it will do the job." In 20 years, it has been demonstrated that a large segment of the population are not and cannot be lifted out of the slums through unsubsidized private housing. The people of low income—the worker who earns only the minimum wage, the retired person on a social-security pittance, the mother and children who have been deserted, and unemployable, the working man with an exceptionally large family—these constitute a market that private enterprise does not reach at all with new housing. They are served only to a very limited degree by the "trickling down" of additional good used housing. For the most part, if they are to live in decency, public action is essential.

Thousands of families have been lifted from the slums by public housing. But many thousands more still live in a squalor from which they can be rescued in no other way.

#### URBAN RENEWAL DEPENDS ON PUBLIC HOUSING

Now there is a new factor that brings special urgency to the need for public housing. In the last 9 years, the Federal Government and the cities together have conceived and put into effect a flourishing urban renewal program. Urban renewal has revitalized community spirit. It has given our cities the hope and the means for cutting out the cancerous ring of blight that surrounds their central business districts. It provides the means of restoring these areas to livable, income-producing, attractive neighborhoods with open space and room to breathe—and thus to save the central business districts themselves from strangulation and decay. The result has been a civic renaissance from coast to coast. Plans and results in Pittsburgh, Philadelphia, Baltimore, New Haven, Chicago, St. Louis, and many other cities have attracted national attention. Every Member of this body is familiar with the changes that are taking place within sight of the Capitol in southwest Washington.

But the most difficult question to solve in connection with urban renewal is, what happens to the people? As slums are cleared to make way for higher value properties, thousands upon thousands of families are uprooted from their homes.

The Administrator of the Housing and Home Finance Agency, Mr. Albert Cole, estimates that about 50 percent of the population of areas to be cleared have incomes so low that they cannot obtain suitable housing in the private market. Yet, before an urban renewal project can proceed, a community must certify that safe and sanitary relocation housing is available for persons who are displaced. This brings us to the inescapable fact that urban renewal—with its promise of progress such as we have never before experienced—is going to be brought to a halt soon in many communities, and eventually in most, if public housing does not keep pace with the needs created by urban renewal.

#### IS LOW-RENT HOUSING BEING PROVIDED?

It is a travesty that, as the need for public housing grows even greater with urban renewal, the construction of new public housing has all but stopped.

Nine years ago, when the Housing Act which bears the names of the late Senators Wagner and Taft and the senior Senator from Louisiana [Mr. ELLENDER] was passed, the Congress confirmed a need over a 6-year period of 810,000 units of public housing, or 135,000 a year.

Since then that rate of construction has not even been approached. In the 8 years since then, the total number of starts, year for year, has been 44,000, 71,000, 58,000, 35,000, 19,000, 19,000, 23,000, and 49,000—averaging less than one-third of the 135,000 starts contemplated annually. Of the 35,000 units authorized under the Housing Act of 1956, only 9,000 have been put under contract and only 200 are under construction.

In short, in the face of a recognized, demonstrable, and growing need, the public housing program is moribund. It is dying. It is withering away.

#### WHY IS THE PROGRAM DYING?

Why is the program failing?

Those who administer public housing in our communities cite various causes—but important among these is the rigid control of the program out of Washington. These leaders who should know say public housing is being strangled with redtape and suffocated by the dead hand of a Washington bureaucracy. The Federal authorities, on the other hand, say the communities, for their own reasons, are just not seeking any more public housing.

One of the most comprehensive attempts to discover the answer was undertaken a year ago by the magazine, *Architectural Forum*. Under the heading of "The Dreary Deadlock of Public Housing—How To Break It," the magazine ran a symposium of 11 informed persons representing many shades of opinion. They were: James W. Rouse, mortgage banker, Baltimore; Ellen Lurie, Settlement House Workers, New York City; William L. C. Wheaton, professor of city



planning, University of Pennsylvania; Charles Abrams, chairman, New York State Commission Against Discrimination; Henry Churchill, architect, Philadelphia; Stanley Tanke, city planner, New York City; Dorothy S. Montgomery, managing director, Philadelphia Housing Association; Elizabeth Wood, consultant, Citizens' Housing and Planning Council, New York City; Vernon Demars, architect, Berkeley, Calif.; Lee F. Johnson, executive vice president, national housing conference, Washington, D. C.; Carl Feiss, planning and renewal consultant, Washington, D. C.

The editors summarized the proposals of the 11 experts as follows:

The predominant themes that emerge in these proposals are:

Public housing tenants should not be evicted for over income; instead they should be encouraged to stay, and to pay up to an economic rent, or to buy their units.

The private builder should be brought into public housing; all types of dwellings, old and new, should be used.

The housing subsidy should be applied to the family, rather than to the dwelling unit.

There should be no more projects or very few, and a great deal more attention should be devoted to the nonsynthetic neighborhood.

Standards, methods, and management of the public housing subsidy should be determined locally in conformity with law—not by federally set procedures.

Local housing authorities should be abolished and their functions combined with a city agency of physical development, responsible to elected officials.

On the national level, public housing should not be a separate administrative program; its functions should be combined with those of FHA (and possibly the urban renewal administration) to deal with public and private housing policies together.

In short, more freedom for locality, designer, and tenant—and a new role for the private builder—are proposed.

This summary suggests what these authorities consider to be the causes of the decline of public housing and indicates the consensus of the writers that basic and drastic changes are necessary to breathe new life into the program. The 11 short articles are worth the attention of everyone interested in urban housing problems. They can be found in the June 1957 issue of *Architectural Forum*.

Last November and December, the Housing Subcommittee, chaired by the Senate's own leading housing expert, the junior Senator from Alabama (Mr. SPARKMAN), conducted hearings in six cities for 14 days. The record covers 1,491 pages. The testimony relating to public housing confirms the thesis that drastic remedies are required. The witnesses presented many of the same proposals made by the writers in the *Architectural Forum*. Out of that testimony, title IV of the pending bill was born.

#### WHAT THE BILL PROPOSES

The proposals in the pending bill can be discussed under three headings:

First. Smaller projects and scattered units.

The bill responds to the general dissatisfaction with huge, high-rise, institutionlike projects which are set apart from the rest of the community. In these artificial, separate communities

normal neighborhood life often becomes impossible. This is particularly true since the Public Housing Administration has ruled that local housing authorities may scrape only the very bottom of the income barrel. Many projects thus consist almost exclusively of problem families, largely unemployables and manless households. Public housing projects have tended to acquire the stigma of welfare institutions which repeal prospective tenants as well as prospective neighbors. Projects differ, of course, in the degree to which this is the case. But in all projects, there is an abnormal proportion of problem families who create the maintenance and operational difficulties which were reported with such glee in the lead article of the *Wall Street Journal* some weeks ago.

The Housing and Home Finance Agency has taken some experimental steps in cooperation with local authorities in Philadelphia, and Cedartown, Ga., to scatter the public housing units so that the units blend into their neighborhoods and are no longer set apart. In Cedartown, the scattered units are new. In the Philadelphia experiment, used houses will be purchased and rehabilitated, which should save money as well as aid the city's conservation program.

The committee bill proposes to encourage this trend by a statement of policy. However, the authority of the Public Housing Administration to approve each project is unchanged.

Second. Sale of homes to tenants.

One reason that public housing projects come to house mainly "problem families" is the requirement that when a tenant's income rises beyond bare minimum levels, he must be evicted. This means that normal families, with leadership qualities, are continually screened out of the projects. It also means that, with the chronic, severe shortage of decent low-income housing, these families are returned to the slums from which they came. The original conception of public housing was that it would serve as a half-way house for a slum family to be rehabilitated and graduated into good private housing. Now it serves as a half-way house between two periods of slum occupancy and the benefits of rehabilitation are lost.

Our bill provides two changes.

First, upon a finding that decent private housing is not available at prices which the family to be evicted can afford to pay, the local housing authority may permit the family to remain in its home provided it pays the full non-subsidized economic rent.

This provision has been criticized as providing public housing for middle-income families. This charge seems odd, since by definition a family can remain only if decent private housing is unavailable, and the very people making this charge are those who have been contending for years that good private housing is available within the reach of middle-income families.

Second, the authority may sell the unit to the tenant under terms which prevent speculation. This proposal is

frankly not designed for units in large projects, which would be difficult to dispose of piecemeal. But it is designed to dovetail with the use of scattered units. These, I believe, should be returned to the private housing supply once the tenant's income has risen to a point where he can afford to make the payments. I see no reason why the Government should not get out of the landlord business whenever circumstances permit. However, that decision would be made locally in each community.

Third. Restoration of local responsibility—probably the most significant part of the title.

The third objective—that of restoring local responsibility—is probably the most significant.

The United States Housing Act of 1937 was greeted by a surge of enthusiasm in local communities. Civic leaders were aroused. They saw the opportunity presented to them. They developed their plans and came to Washington. The Washington officials treated the local leaders with respect. They saw their job as one of assistance and facilitation. The staff in Washington was small. Local leadership was given the fullest rein. Perhaps some mistakes were made—although no one has pointed out any very serious errors—but in any case, we got a lot of construction under way and a great many families lifted out of the slums.

But all that is past. Gradually, over 20 years, the relations between Washington and the cities have shifted. All of us in this body have had occasion to complain that bureaucracy inevitably grows and authority always tends to centralize. Here is a case where this tendency has progressed to a point beyond all reason—where local judgment is overridden, local initiative destroyed and local officials demoralized. The record of our hearings is full of such testimony.

But let each Senator judge for himself. For that purpose, I want to give you the details about three cases. It is perhaps only through the specifics that the full flavor of the ludicrous relationship that now exists between responsible local officials and the Washington bureaucracy can be appreciated.

These cases are drawn from correspondence between local authorities and the Public Housing Administration which were assembled in a study by a committee of housing and redevelopment officials in the Southwest. The committee was headed by Mr. O. W. Collins, chairman of the Port Arthur, Tex., Housing Authority and included the chairmen of five other local housing authorities—Mr. Hubert Jones of Austin, Tex.; Mr. Louis Tobian, of Dallas; Mr. O. B. Archer, of Beaumont, Tex.; Rabbi David Jacobson, of San Antonio; and Mr. Glen F. Rogers, of Little Rock, Ark.

#### THE CASE OF THE 11 TREES

A team of auditors from the Public Housing Administration visited a local housing authority in February and April 1957. On June 28, the PHA submitted its report, saying:

We suggest that the trees beside the building, walks, and curbs be removed since

they are causing damage to the sidewalks and curbs and may do additional damage. The present damage to the walks is in the nature of differences in finished elevations at joints which should be leveled and brought to the same finished grade, and if necessary, sections should be replaced. Remove trees. 11 at \$8 each, \$88.

The local housing authority replied:

Since maintenance is unable to locate 11 trees that are detrimental to structures and sidewalks, request more definite information as to approximate location of such trees.

On November 1, came PHA's counterreply:

During the survey of this project on April 24, 1957, it was noted that several trees were growing adjacent to building grade beams and sidewalks. Inasmuch as the survey is a spot inspection and the entire project was not covered, we estimated that 11 trees were existing in such locations and should be removed. Although small trees may not be damaging the structures at this time, the increased root growth might be costly in the future and therefore any tree growth within 3 feet of the structures should be removed. This should include stumps of previously cut trees where new growth is putting out.

Has not centralization reached a ridiculous point when local housing authorities must be directed as to the exact number of trees to be removed from a project—even though the local housing authority is left free to search for and select the individual trees to be removed.

#### THE CASE OF THE COCA-COLA DISPENSER

In May 1957 a team of auditors made its annual visit to a local housing authority. In October came the PHA report with the following item:

A Coca-Cola dispenser was located in the community building auditorium. This equipment is owned and operated by the Housing Authority Employees' Association. We found no record of any rental charges being paid to the Authority by this association, or of any existing contract. \* \* \* Our review disclosed that 100 percent of the revenue derived from the Coca-Cola dispenser went directly into the treasury of the Housing Authority Employees' Association and was not recorded in the Authority books of account. These funds are subsequently used by the aforementioned association for purposes having no effect or benefit to Authority operation.

In December, the local housing authority replied:

We do not consider the continued use of the Coca-Cola machine to be improper. \* \* \* The agreement between the Housing Authority and the Housing Authority Employees' Association, a copy of which is attached hereto, requires the association to pay annually for the use of space. The board was aware of the installation and considers its presence conducive to the morale and welfare of the employees. \* \* \* Since the employees are the principal users of the machine, we see no reason why they should not be the recipients of the possible meager profits to be derived from the operation of the machine.

On January 14, 1958, came PHA's counterreply:

The Authority's agreement with the employees' recreation for the rental of space in the recreation hall for the installation and use of an electric Coca-Cola vending machine does not have PHA approval. This agreement provides for an annual payment of \$1 by the association. This amount is considered inadequate as it does not include

the cost of utilities used. We recommend that you contact the local Coca-Cola Co. and obtain their estimate as to the operating cost for this item of equipment. The agreement should then be revised and submitted to PHA for approval. \* \* \* At such time as the agreement \* \* \* is revised and PHA approval obtained, the revenue obtained thereby will be included as Authority income and this exception will no longer be outstanding.

Ten days later, the local housing authority replied:

Your comments on this item were reviewed by the board. Approval was again given the existing agreement between the Housing Authority and employees' association for the use of an electric Coca-Cola vending machine. \* \* \* We respectfully request that you approve the agreement approved by the board.

This apparently ended the matter, because the report includes no more counter replies to counter replies. Let us hope that the payment to the Authority for the electric current going into the Coca-Cola machine compensated at least in part for the time spent by high-priced people in 3 months of communication on this subject.

#### THE CASE OF THE LEAKING ELECTRICITY

The PHA audit team took exception in one of its surveys to the failure of a local housing authority to read utility meters at a constant time each day so that leaks in electric current could be detected. The Authority's maintenance superintendent protested but the board thought it best to write to the director of the local electric utility about meter reading practice. The director responded on March 5, 1957, as follows:

We see no reason for reading the electric meter daily to insure early detection of leaks. No electric energy will escape from the wires except in the event of trouble in the wiring system. In this case, fuses should blow or circuit breakers trip, which would bring such a defect to your immediate attention.

We concur with your maintenance superintendent in his statement that no leaks could occur in the electric system in the sense in which he has used the term "leak."

So, on March 11, the local housing authority wrote to PHA:

The local authority agreed to such request but in subsequent conferences with electricians and the city electrical department, we are advised that it is impossible to have a leak in an electric line as any undue load on an electric line would be controlled by the fuses in the transformers and circuit breaks of each unit.

Since it is estimated that it will cost \$50 a month to read all electric meters every day, it is respectfully requested that we be permitted to eliminate the daily reading of electric meters as it is felt that such would be a waste of money.

On March 19, the PHA replied:

Our suggestion \* \* \* was based on the fact that we have experienced loss of electricity due to the system becoming grounded. In fact, several years ago this happened on one of the projects operated by the Authority and this ground short did not blow a fuse or a transformer. The Authority in turn, paid an unusually large bill due to the waste of electricity. \* \* \*

We notice that you estimate it will cost \$50 per month to read your electric meters daily; however, we believe that with the proper allocation of time and assignment of work, that your maintenance employees who are on annual salary will be able to do this work

without any additional expenses to the Authority.

On March 22, the local housing authority protested again:

We are at a loss as to when the Authority had a ground short which caused us to consume an excessive amount of electricity. It will be appreciated if you can give us the date of this particular instance. We are advised that with the exception of our shop, that all meters are single phase and grounded, and that should the circuit ground out, as you mentioned, that it would cause the fuses in the transformer to blow out. \* \* \* We are still advised by the city electrical department and our own maintenance superintendent, that in no way could we have a short in any project electric system which would not immediately blow out the fuses in the transformer. We do not plan to put on additional personnel for the reading of the meters. However, time will be consumed in reading these meters and time in every instance means dollars, whether it applies to ground, janitorial or what.

Four days later, the PHA capitulated:

The incident referred to in our letter of March 19 happened about 1942 and involved the overhead system of wiring.

We will not insist on your making daily readings of the electric meters if you are still convinced that it is a waste of time.

The committee report is full of examples like these of what adds up to unconscionable harassment of local housing authorities by Federal officials.

I am sure that those who conceived and have defended public housing never dreamed that the point would be reached when a bureaucracy in Washington would be dictating the exact number of trees to be removed, supervising and approving contracts between an authority and its employees regarding the use of a single Coca-Cola machine, or insisting upon maintenance practices which those who are experienced write off as senseless and wasteful.

These are but a few instances. This kind of heckling goes on day after day, week after week, in 840 communities throughout the country. A Washington bureaucracy has justified itself on the basis of this kind of review. It now contends that, if its paternal supervision is removed, local communities would be incompetent to preserve their sidewalks from the ravages of rampant trees or protect the public interest against the corruption involved in permitting the employees of a housing authority to operate a Coca-Cola vending machine.

Remember, we are not talking here about the field offices of a Federal agency. We are talking about responsible authorities of local communities created under State law, consisting of leading bankers, businessmen, labor leaders, church officials, lawyers, and civic leaders from every field. Many are resigning in disgust, of course, but this is the kind of leaders we have had on our local housing authorities.

Those who stand here on the Senate floor and contend, as I do, that local boards of education are qualified to run schools without Federal interference and supervision, that local city councils are competent to provide city services without Federal supervision, that State and



local welfare departments are competent to administer public welfare programs, can hardly stand here and say that local housing authorities are not capable of deciding when to remove a tree, or how to read electric meters in a public housing project. All wisdom is not in Washington. Man for man, I would match the members of local housing authorities with the employees of the PHA for patriotism, judgment, wisdom and knowledge of the local circumstances which is all important in making these projects successful.

In this bill, we propose to restore responsibility to the communities while still retaining in Washington the essential controls to assure that the Federal interest is protected.

All of the present Federal controls over the planning, location, design and construction of projects are maintained without change. Some of these are onerous and in line with the general philosophy of the bill should perhaps be relaxed. However, since construction costs determined the amount of the Federal financial commitment, it was felt that Federal participation at this stage should remain unchanged.

But once the project is built, the detailed operating supervision which has turned responsible local authorities into ministerial agents of the PHA is largely removed—subject to the very important qualification that the PHA and the GAO will have access to records and the right to such postaudits as are necessary to protect against fraud, gross waste, or extravagance, and to assure compliance with law and with the objectives of the program.

The relaxation of Federal control is made possible by changing the financial relationship between the Federal Government and the local authorities. At the present time, the Federal contribution is a variable annual amount, depending upon the amount of the net operating revenues from the project. Since the entire net proceeds revert to the Federal Government as a reduction in the annual contribution, the PHA feels itself compelled to supervise minute details of project management in order to reduce the Federal payment to the minimum.

Under our bill, the Federal Government would enter into a contract for payment of a fixed annual amount to the local authority at the time the project shifted from the construction to the management stage. Since the Federal obligation would henceforth be unchanged, strict Federal supervision would no longer be necessitated.

The new arrangement would put low-rent housing on the same basis as other Federal programs. In urban renewal, for example, once the Federal grant is paid, the Federal Government permits complete local self-government. Once the Federal share of federally aided highways is paid, the Federal Government does not supervise the operation and maintenance of the highways.

#### THE ALLEGED \$8 MILLION "WINDFALL"

The amount of the fixed Federal grant, to be paid in annual installments, would be the amount necessary to amortize the bonds which finance the project.

The present annual subsidy is equal to this amount reduced by the entire net proceeds arising from project operation.

It is this reversion of the entire proceeds to the Federal Government that is at the bottom of the present difficulties in the operating relationship. Every marginal nickel that is spent or saved is a Federal nickel. On the one hand, therefore, the PHA can contend it is duty bound to supervise the spending of every nickel; on the other hand, the local authorities have no direct financial stake in effecting economies and increasing revenues.

Ordinarily, the Federal Government enters into grant arrangements on a 50-50, or 2-1, or even a 90-10 basis, but with some local share as a means of encouraging local financial responsibility through a direct financial interest. The local financial incentive serves as a substitute for strict Federal supervision. The low-rent housing program is the only program I know of where the financial division—in this case the division of receipts—is 100-to-nothing, with one level of government earning the receipts and another level of government getting the benefit of them. Such a relationship was doomed from the beginning. It could not help but result in suspicion, friction, and a steady usurpation of management responsibility by Washington.

What our bill proposes is a 2-to-1 distribution of the net proceeds, with the Federal two-thirds being applied to advance amortization of the bonds which determine the amount of the annual Federal grant. The other one-third will be retained by the local housing authority for low-rent housing purposes.

Since operating proceeds were about \$25 million last year, the proposed two-to-one split has been referred to as an \$8 million windfall for local authorities. But those who use this term overlook the effect of providing local authorities with the incentive for economy and increased revenues which arises from the normal Federal-local sharing arrangement. To make up the \$8 million loss to the Federal Government, local authorities would need only to increase net proceeds by about \$2 per housing unit per month. I am personally confident that the result would come close to that amount and might be greater. In any event, the \$8 million would be used for useful and necessary purposes which should have been permitted all along but which the PHA has stripped from the local housing authority programs. Important among these are rudimentary services for the guidance and referral of the problem families who are now the source of so much of the operation and maintenance difficulties in the public housing projects.

Once the Federal control over management is relaxed, I would hope that the PHA would operate a constructive advisory service on management problems to assist local authorities on a voluntary basis.

#### WHICH WAY PUBLIC HOUSING?

In previous years, the issue in regard to low-rent housing has been the number of units to be authorized. This year that is not the crucial issue. No

matter how many units are authorized, the program will not flourish unless basic changes in the conception of the program are adopted.

This bill makes those changes. Some of them may appear drastic, but they have been a long time in the making and have been thoroughly considered. They have been endorsed by the American Municipal Association, the United States conference of mayors, the National Association of Housing and Rehabilitation Officials, the national housing conference, the AFL-CIO, and other responsible groups.

I hope the Senate will approve these amendments as a part of its omnibus housing bill, in order that the public low-rent housing program may once again do the job which was conceived for it in 1937 and which is no less urgent in 1958.

Two days ago the Senate voted to admit Alaska into the Union as the 49th State. I was happy to vote for the admission of Alaska, because I believe it is only just to permit that great outpost on our northwest frontier to take its proper place in the Congress of the United States, with a Representative and two Senators, along with the other States, some of which do not have a much larger population than Alaska.

I have had occasion to point out on the floor of the Senate that there are 20 States, with 40 votes in the Senate, each of which has a smaller population than my city of Philadelphia, which has only a one-fifth interest in each of the two Senators from Pennsylvania. That condition results from the pact or compromise which was entered into when the Constitution was adopted, and by which we are all bound. I would not change it. I am happy to have it as it is.

Mr. President, as time goes on, however, our friends—both in the Senate and in the House of Representatives—from the less densely populated States should understand what happens when the vast urban population of the country is underrepresented in Congress; and they should give serious thought to the problems which that situation causes and to efforts to bring about the same kind of justice to our urban population for which we are happy to vote in behalf of the people who live on farms. I have always been very happy to do so.

Mr. President, a few days ago a very provocative article appeared in the Christian Science Monitor under the title "Urban America: A Phoenix Still Trapped in Its Ashes." The article goes into much greater length on the subject to which I am now addressing myself. It was written by Mr. Earl W. Foell, one of the able staff writers of the Christian Science Monitor. I ask unanimous consent that the article may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### URBAN AMERICA: A PHOENIX STILL TRAPPED IN ITS ASHES

(By Earl W. Foell)

"Thine alabaster cities gleam undimmed by human tears." (From the hymn America, the Beautiful.)

"Any city that does not set in motion by 1960 a comprehensive program to halt blight will be flirting with municipal ruin by 1965." (Federal Housing and Home Finance Administrator Albert M. Cole.)

By the year 2000 the urban population of the United States may swell to the staggering total of some 200 million to 235 million persons, according to the estimate of 1 population specialist with impeccable credentials. This is literally the forecast of an explosion.

For it means that the cities and metropolitan areas of the Nation would be increased in the next 42 years by almost as many people as lived in the entire country when the 1950 census was taken.

Demographers—like weathermen—have been known to be wrong. (In the late '30's they spoke of America's population leveling off at about 150 million by 1980.) But for the present the registries of births are backing up their current forecast of explosive city growth.

In the 8 years since the 1950 census, 97 percent of the Nation's population growth has been net growth in urban areas.

By any system of measurement this enormous growth alone would appear to make the problem of the cities and their suburban spawn a subject to be ranked in importance with national defense and economic growth—and possibly to be ranked ahead of farm supports and getting to the moon.

These population estimates indicate vividly just how much the current problems facing the cities will pyramid in the coming decades.

Equally, they measure the drastic expansion that will be needed in the promising but still fledgling programs now pitted against the blight, congestion, near bankruptcy, and political impotence of many cities—if these programs are not to turn into pearls cast before swine.

Following is the current balance sheet in the fight for the cities, as gathered by correspondents of the Christian Science Monitor in 22 cities and culled from interviews with leading urban researchers, city planners, politicians, and civic leaders across the Nation:

#### MIGRATION AND COUNTERMIGRATION

Within the overall population statistics there are two seething tides of population shifts. They create a general financial and social undertow that cancels out much of the progress made in renewing the cities.

The first of these is the migration of the southern rural Negro, the back-country white, the newly arrived Puerto Rican and Mexican into most of the great metropolitan centers faster than they can properly be assimilated. In little more than a decade, Manhattan is expected to be 45 percent Puerto Rican and Negro in population; Chicago, about 25 percent Negro. Indianapolis, nonwhite population increased 35 percent between 1950 and 1956.

The problem here stems not from race but from feelings about race. This leads directly to the second migration.

Young marrieds and many middle-income city dwellers are continuing to move away from the city center to homestead ranch houses on quarter-acre plots in the suburbs.

Despite nascent back-to-the-city movements heading for Boston's Beacon Hill, Washington's Foggy Bottom, Philadelphia's Society Hill, Kansas City's Quality Hill, and other assorted hills and bottoms across the country, the exodus to the suburbs is not abating.

Projects to arrest decay and enhance the usefulness of the central city have not yet slowed the emigrant rush. Many city planners report that this is so simply because too much emphasis is placed on physical preservation in a few key areas and not enough on such services as good school teaching,

good mass transit, and expanded cultural opportunities.

Slums, which are both the cause and the result of the two migrations just described, are home to some 15 million Americans—one out of every five urban dwellers; one of every dozen Americans.

Some cities—like Denver, Fort Worth, Salt Lake City—have no slums in the tenement-ghetto sense. But the problem of decay and engineered obsolescence confronts even America's newer western cities.

Because slums are the focal point for many urban malfunctions, they are the principal target for the complex system of Federal, State, local, private enterprise, and neighborhood groups now fighting to revive the cores of cities as the brightest display points of American civilization.

The Federal urban renewal program reaches fully into all but eight States. Its chief weapon to date has been a two-thirds writedown of the cost of clearing slum lands and fixing a realistic selling price on them for sale to private redevelopers.

Included in the Federal program are provisions, unfortunately still little used, for rehabilitating vast areas surrounding slums and threatened by, but not immersed in, the spread of decay. Also gaining impetus is a program for aiding good city planning in smaller communities and for backing regional or metropolitan planning.

The urban-renewal program is a package affair which requires fairly effective safeguards to assure the Government that a city has a workable overall plan for its future.

But even with this emphasis on overall planning, a majority of the professionals interviewed feel, the urban-renewal attack on blight is still too much a matter of spot battles and guerrilla warfare.

The facts seem to indicate that—

1. The urban-renewal program has started slowly. From its inception in 1949 to the present it has had available only about \$1.2 billion. Only 4 projects in 3 cities have actually been completed.

2. The program has begun to gain momentum recently. Some 525 projects, eventually involving perhaps 30,000 acres in 317 cities and towns, are now under way or approved.

"Socially," says Senator JOSEPH S. CLARK, Democrat, of Pennsylvania, "urban renewal is respectable as no earlier slum or housing program has ever been in this country." Democratic city mayors and Republican businessmen are sitting down together to do something about the cities.

Renewal's ancestral tree starts in the early thirties. Slum-clearance experiments begat public-housing experiments, which begat the idea of urban redevelopment about 1940. But the idea was premature. One urban land institute proposal for a Federal renewal program brought forth shocked cries that it was a scheme for bailing out the landlords of slum property.

After World War II, however, the Federal Government did enter the picture when it was realized that the problem of urban blight was so extensive that no single investor but Washington could provide the stimulus needed to get slums cleared away and land readied for private investment.

The Nation then seemed ready to turn at last from problems made urgent by war, and those created by depression, to the neglected cities. In 1949 Congress passed the urban-renewal program. Refinements were added in 1954.

3. Despite the almost universal popularity of the basic renewal idea with politicians, planners, business leaders, and neighborhood groups, it is generally agreed that the momentum so far gained is not enough to meet the problems which a doubling population will so drastically magnify. Slums have continued to grow even in recent years of great prosperity. They have in fact burgeoned most rapidly in the boom cities—in Chicago, Houston, San Francisco—while the older

cities have generally made only token headway so far at clearing their immense backlog of decayed housing and industry.

Some of the very cities that have made the most progress with spacious urban-renewal projects, such as Chicago and New York, are finding slum growth always one jump ahead.

In short, the blight-eroded cities of America are beginning to be reborn—many of them spectacularly—but the blight is still nagging at most of them. They are phoenixes still trapped in their own ashes.

#### THE UNPROTECTED INVESTMENT

"The biggest single economic problem faced by our country is conservation of the capital involved in our cities," states Walt Rostow, the noted economic historian.

Statistics back him up. National Bureau of Economic Research figures for 1948—the most recent available—placed America's total national wealth at \$797 billion. Of this amount over 400 billion was invested in urban areas. With urban population outstripping rural 97 to 3 during the intervening decade, it is now probable that as much as 60 percent of the tangible wealth that the American people have accumulated throughout their national history is today tied up in the cities.

How well is this investment protected?

Capital loss through the spread of slums has been enormous. Detroit, for instance, estimates the decline in value of its central business district over a period of just the past 20 years at \$100 million.

Many cities report large downtown areas that bring in taxes that average only one-third what they cost in increased police and fire protection, garbage, utility, and street services.

Measured against an estimate by ACTION (American Council To Improve Our Neighborhoods) that it would take some \$100 billion to rid the Nation of slums, the Government's contribution of 1.2 billion in the past decade and the administration's proposal for another 1.3 billion over the next 6 years are dwarfed.

Taken in the context of what the national income is spent on, the Government side of urban-renewal efforts still appears Lilliputian.

Over a 20-year span some \$98 billion is expected to be expended on highways. This year alone the Federal budget allots 5 billion for veterans' benefits and 4.6 billion for agriculture while only 350 million is assigned for urban renewal.

There are two major reasons for this dragging of feet where the need is so obvious: (1) The cities of the United States are sorely underrepresented and underprivileged politically; and (2) there is a shortage of the private investment capital which is supposed to take over the lion's share of rebuilding and repairing in the blighted areas cleared or mortgage-insured by Washington.

Examples of how urban America has been gerrymandered or simply neglected out of its political inheritance have been cited often and at length but to little avail.

Prof. Gordon E. Baker, in his authoritative study, *Rural Versus Urban Political Power*, cites these examples:

The 6 largest urban counties of Georgia contain 32 percent of the State's population; control only 9 percent of the Georgia house and 7 percent of the senate.

Baltimore and the 3 largest urban counties of Maryland, with 67 percent of the population; control only 44 and 31 percent, respectively, of the State legislative houses.

New York, Chicago, Los Angeles, St. Louis, Detroit, Baltimore, Atlanta, Birmingham, Ala., and Providence, R. I., all give the individual citizen considerably less voting power than his country cousin. Boston, Milwaukee, New Orleans, Richmond, and Norfolk are notable exceptions to the rule that the city dweller may pay far more than half of the Nation's taxes but



Isn't allowed his share of the votes on the State or even National level.

Senator CLARK observes—without malice toward his western colleagues—that there are 20 States, with 40 Senators, that individually have less population than Philadelphia, which has about two-fifths of two Senators.

The result of the cities' underrepresentation is that while Congress may have a farm bloc it virtually never has anything approaching an urban bloc.

This situation is slowly being corrected by what one urban expert terms the collection of power in the cities. Democratic mayors and influential Republican businessmen working together for the first time on city problems are beginning to gather a formidable political coalition about them. Pressure from the mayors of smaller towns, men who are generally avid boosters of the urban-renewal program, has also put Congressmen from predominantly rural areas behind that program at crucial moments.

In short, there is hope that, even without the redistricting program that is needed to give true democracy to the cities, urban affairs are beginning to command the ear of an increasing number of legislators.

Talk of a possible urban-affairs Cabinet post parallel to the Agriculture Department is stirring more frequently in Washington. Albert M. Cole, Federal Housing and Home Finance Administrator, says that such a post will be created eventually, but definitely not next year.

#### FINDING PRIVATE CAPITAL

Experience has shown that on the average every Federal urban-renewal dollar spent generates \$5 of private enterprise spending for new buildings. In some cases the ratio has ranged as high as \$40 for every \$1 of Federal money. But although there is good private response in some cities, others are finding projects lagging for lack of risk capital.

A good barometer is the investment policy of the giant insurance companies. Ownership of mass housing was once considered the coming thing for such firms. But today only about one-third of the top 20 companies directly hold title to apartment projects. Their total investment is about half a billion dollars. One major company has sold a large housing project it had built because the yield was only 1.56 percent—not a good investment return. A Boston insurance executive reports that the insurance firms "just haven't been able to make money on such holdings."

This is just one side of a two-way squeeze that is perhaps the biggest financial problem the cities face.

On the one hand there is the plight of the middle-income city resident: He is being forced out by social conditions in the slums, by higher taxes caused by the slums, by the flight of stores and jobs. Even if the slums are erased, the cost of new housing to replace the old often puts rents right out of the middle-income budget range. And this is the very income group that is burgeoning, as the rich grow generally poorer and the poor richer.

On the other hand, there is the plight of the private investor who won't risk his capital on redevelopment projects unless they give a fair return. Such a fair return can often be had only by upping rents and squeezing the middle class.

That is the dilemma. If it continues unsolved, there is genuine concern among planners that the cities may become home only to the rich and the very poor.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my good friend from Minnesota, particularly because of his long and consistent interest in the urban housing

problem, which continues to confront us.

Mr. HUMPHREY. I thank the Senator for his kind reference to me. I was not able to be present on the floor of the Senate during the Senator's speech. However, the Senator from Pennsylvania was kind enough to let me have a copy of his remarks earlier today, and I also discussed his address privately with him. I indicated my interest in certain paragraphs of the Senator's speech, and said I would like to be on the floor to ask him to develop them further and in a little more detail.

I might say, by way of explanation, that I have been in attendance at a meeting of the Committee on Foreign Relations in connection with a review of our overall foreign policy. I was alerted by the staff that the Senator was making his splendid presentation, and I came to the floor as soon as I could.

First of all, I wish to commend the Senator from Pennsylvania for his speech. I know that the housing bill will soon be before the Senate. It seems to me that the way to approach the proposed legislation is through a process of gradual education and gradual development of information. The Senator from Pennsylvania is one of the most active members of the Committee on Banking and Currency, and is one of the Nation's foremost municipal authorities. He formerly served as mayor of the great city of Philadelphia, and is also a student of local government and National Government. Therefore, by virtue of his background and experience, he is in a position to offer us some very constructive suggestions.

What I say is not intended in any way to be flattery of the Senator or in the nature of overpraising him. What I say is merely a statement of fact.

Mr. CLARK. I thank my good friend for his kind remarks.

Mr. HUMPHREY. What I have said is all true.

Mr. CLARK. I cannot refrain from interjecting at this point in the Senator's kind remarks to say that my friend's exercise of senatorial courtesy has perhaps led him to go further than the facts would justify. Nevertheless, I am very happy to have his comment.

Mr. HUMPHREY. I discount that disclaimer. The Senator from Pennsylvania has pointed to the importance of Congress' giving a more concentrated and considered attention to the problems of urban living and the problems of our municipalities. I do not know what the Senator's figures show, but I believe that 80 percent of the Nation's population lives in cities of 20,000 or more. I believe that is a correct statement.

Mr. CLARK. I believe the basic statement is that 65 percent of the population of our country lives in 170 metropolitan areas.

Mr. HUMPHREY. When we realize the implications of that statistical information, we understand the importance of the Government of the United States—both the executive and the legislative branches of the Government—paying more attention to the problems of urban living. I am a member of the Committee on Agriculture and Forestry,

and I do not believe that anyone in the Senate would disagree with the statement that I attempt to represent what I believe to be the legitimate interests of agricultural producers.

Mr. CLARK. In that field the Senator from Minnesota is an expert, whose guidance I have been happy to follow with perhaps only one minor exception, and in that instance the Senator's views are entitled to a great deal of respect.

Mr. HUMPHREY. I am happy to note that the Senator digressed only once from the path of orderly and logical conclusions on agricultural matters. [Laughter.] However, I suppose that point is open to debate, as I indicated at the time we discussed it.

What I wish particularly to impress upon our colleagues in the Senate is the importance of dealing with the problems of urban living and urban housing and urban affairs generally. I have in my hand a copy of the bill (S. 2159), which was introduced earlier in the session by the Senator from Pennsylvania.

I was privileged to support it actively, even though I was not a cosponsor of the bill. The bill would provide for the establishment of a Department of Housing and Urban Affairs, which would give some prompt and long-term consideration to the very difficult urban-Federal relationships. We all know that the cities have had to come directly to the Federal Government. They have bypassed their own State legislatures, and they have bypassed their governors' office. They have come directly to the Federal Government primarily because they were not given adequate representation in their State legislatures, and also because of a historical hangover of procedure which forced them to go directly to Washington. When they come to Washington, they do not know quite where to go.

Mr. CLARK. I hope the Senator will permit me to make a brief interruption of his very pertinent remarks. The reason why the cities come to Washington is that the Federal Government has usurped most of the tax sources which must provide revenues for the cities. As the Senator from Minnesota well knows, despite the reports of groups like the Kestnbaum Commission and the governor's conference and even the desire of President Eisenhower—to return certain tax sources to the State and localities, nothing has happened in that field. In my humble judgment nothing will happen. In view of that fact the cities have no recourse except to come to Washington with their problems, because, frankly, with their present tax sources, they are going broke, and the States are not able to help them.

Mr. HUMPHREY. The Senator's views on that subject certainly must be respected. I would only add the view that I served on the President's Commission on Intergovernmental Relations, and I was privileged to be one of the sponsors of the legislation which created the Commission. While the Federal Government has taken on more and more taxing areas, the States themselves have been reluctant to enact enabling legislation for municipalities—most of which

are creatures of the State legislatures—to give the localities authority to raise revenue. Local taxes, of course, are income-tax deductible.

It appears that here again there is reason for the belief that the States and localities have not always exhausted all the authority they possess in this field. Of course, I do not wish to be critical of the States and localities, and it is not our purpose to discuss that subject at this time. What we say is, first, that the Federal Government needs to give more attention, on a day-by-day and year-by-year and long-term basis, to the problems of municipalities and urban living. That is the first point.

Mr. CLARK. The Senator is correct.

Mr. HUMPHREY. The second point is that, as the Senator from Pennsylvania has pointed out in his very excellent speech, our housing program needs to be given much more attention and much more emphasis. The Senator from Pennsylvania has emphasized again and again what can be done in urban renewal in terms of the urban renewal program.

However, the point in the Senator's speech on which I wish to have him comment in some detail is that portion which relates to the centralization of responsibility in the Federal Government for local public housing projects, as compared with the responsibility which ought to be exercised by the local public housing authority or local redevelopment authority.

I noticed that the Senator referred to what he called the case of the 11 trees. How ridiculous can the Federal Government become?

Mr. CLARK. I am happy the Senator from Minnesota has referred to that part of my remarks. Simply to emphasize it, as the Senator well knows, since he read that particular extract, that was a situation in which the Federal Government actually told the local housing authority that they ought to cut down or uproot 11 trees before the roots of the trees reached the point where they might hurt the pavement or the sidewalk. I cannot think of a more over-reaching action of bureaucratic nonsense than that.

Yet the present HHFA has indicated to the Committee on Banking and Currency that they would fight to the death the effort to decentralize the program. I guess they want to have many more cases like the 11 trees, to see if 2 or 3 gentlemen from the Agency in Washington can go to Minneapolis or Philadelphia, put their nose into every housing project there, and pretty soon ask, "Why don't you plant evergreen trees? The leaves of the other trees will fall, and you will have to have somebody rake the leaves, and that will be an unnecessary expense."

There seems to be no limit to which they are willing to go. Like all bureaucrats they will not give up 1 inch of their authority in order to put the Agency in working condition.

Mr. HUMPHREY. I thought the incident concerning the soft drink dispenser was more ridiculous than the first incident. When an agency of the Federal Government has to use a high-

salaried man to go to a local housing project and become involved in a question whether a soft drink dispenser ought to be in a recreation room, I believe it is very hard up for jobs. This is not a leaf-raking kind of recession. For the Public Housing Authority of the Federal Government to be engaged in such minutia and such penny ante detail is beneath the dignity of the Federal Government and its responsibility.

I concur in the Senator's observations about the importance not only of the re-establishment of local responsibility, but also the importance of encouraging even more local responsibility in the housing projects than there has been heretofore. The role of the Federal Government should be to establish standards and to provide the grants which are necessary to make the housing authorities solvent on the basis of low rentals for low-income people. That ought to be the limit of the Federal Government's authority.

Mr. CLARK. I agree wholeheartedly with the Senator. I think he will likewise agree that since Federal money goes into these projects, the Federal Government ought to have the right of audit. But to have men snooping around and saying, "You cannot have a soft drink dispenser in the housing project unless you charge rent for it," and "You will have to remove these trees," is ridiculous.

Another instance was the case of the leaking electricity.

Mr. HUMPHREY. I was about to mention that. I wanted to share this paper with the distinguished Senator from Illinois [Mr. DOUGLAS], who has been a stalwart champion of housing for many years in the Senate. I read earlier case number three, I think it is, the case of the leaking electricity, in which the Federal Government intended to have daily inspections, I believe, of the wiring system.

Mr. CLARK. A check was to be made to determine whether the electricity was being properly recorded on the meter, and it was proposed to do that every day. It took a sheaf of correspondence 6 inches high, and conversations lasting 8 or 10 months, between Washington and the office in the field, to decide that the electricity was not, in fact, leaking.

I wonder what would happen if someone came every day to check the electric meter in the Senator's house or my house to see whether the electric system was leaking. One would have to dream up some very unessential work for a bureaucrat to have that kind of instance arise. I would not have believed it had I not found it in the correspondence.

Mr. HUMPHREY. I once admonished certain members of my family that too many electric lights were left burning; and the lights almost went out for me at about that moment. I was told that I had enough to do in the United States Senate without coming home and advising the family how to turn electric lights on and off.

The same admonition which the lady of the Humphrey household provided for her husband would be proper for the Federal officials in the Public Housing Authority. For a \$50 a month supposed loss, a \$500 a month audit was made to

determine whether the \$50 a month was being lost.

I think that the director of a housing project in Minneapolis, such as the Glenwood project, which is under construction, is just as much interested in the efficient operation of this project as is anyone in the Nation's capital. Once in a while a bad apple will be found in the barrel. Once in a while an inefficient director will be found. But that is why we have local housing authorities.

Mr. CLARK. I agree wholeheartedly with the Senator. I think he will agree with me that the interest of the local housing authority in the efficient, economical operation of the project would be vastly increased if the local housing authority had some stake in the result, and if every cent which they saved by their economy did not go to the Federal Government, but at least a third of it, as under their current program, went to the local housing authority, to enable them to continue their program to improve projects which are already in existence. That is what the bill would do.

Mr. HUMPHREY. Yes; that is what the Senator suggests in his new proposal. I am convinced that that type of incentive will yield very constructive results.

I do not wish to take any more of the Senator's time by my participation in the discussion. I simply say that, as in the case of many other things in the Nation, we are not doing enough in these areas. We are not doing enough in the field of education, as the Senator from Pennsylvania has said again and again in the Senate. We are surely not doing enough about the conservation of our great natural and physical resources. We are not doing enough, in many cases, in the fields of science and health.

But of all things, surely housing represents a most tangible form of investment. We have indisputable evidence that when the slums are cleared, and dilapidated, run-down areas are removed, a kind of economic surgery is actually performed. It is a kind of cleaning out of a malignant area of the body politic. By removing that kind of social malignancy, we permit a restoration of normal, economic, healthy society, in the form of new housing construction, public parks, public buildings, and recreational areas. All of this results in tremendous economic and social dividends.

I feel that, somehow or other, we have lost zest in this body. We have lost zeal for the kinds of great community reform, rehabilitation, and reconstruction which are needed. We point with pride to every other country in the world and show what our foreign aid has done in the form of rehabilitation.

The Senator from Pennsylvania supports such aid, as I support it; but I should like to be able to point with the same degree of justifiable pride to the tremendous advances we could make and ought to be making in some of our great metropolitan areas, where the people live by the millions.

Instead, we go along with less than adequate programs and, in many instances, programs of delay and delay. I do not know whether the Senator has



addressed himself to the unpardonable delays in the clearances for these projects, but I know of instances of delays which ran into the years—not into weeks and months, but into years—before clearance could be obtained for great projects of urban renewal or public housing projects.

If we are to have programs for the construction of such public works, they should be programs which will be completed on time. They should be operated like a good railroad; not as something which does not run or get done on time.

Mr. CLARK. The Senator is quite correct. I thank him for his courtesy and consideration in coming to the floor while I was speaking, and also for his most pertinent and helpful comments on this vital, important bill which will soon come before the Senate. I hope all of our colleagues will have an opportunity to read it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. DOUGLAS. First, I congratulate the Senator from Pennsylvania for speaking on this most important topic and for advancing some extremely constructive suggestions about the need for smaller units, widely distributed, and also the need for some method to enable the tenants ultimately to become the owners. I think they are very constructive suggestions.

Mr. CLARK. The Senator from Illinois has been for so long, on the Committee on Banking and Currency, a tower of strength for the urban communities that I am particularly flattered to have him here during the course of these comments and to engage in colloquy with me. It has been my great pleasure to follow his lead in this most important field during the 2 years I have been in the Senate.

Mr. DOUGLAS. I think the Senator from Pennsylvania has become the leader, and I have become a follower. The Senator from Pennsylvania is very cautious and reserved in what he says. But is it not possible that a part of the vexatious rules which the national administration has been trying to impose on the localities is due not merely to the itch of bureaucrats to supervise things, but also to the desire to discourage the advocates of public housing and to wear them out, so that they will throw in the sponge, so to speak, and give up? Is this not a calculated policy of attrition and discouragement which the Eisenhower administration is carrying on to choke off any demand for public housing?

Mr. CLARK. I must say to my good friend that that thought certainly has crossed my mind. One of the characteristics for which I admire the President is his unwillingness to attribute motivation, whether evil or good, to anyone. Probably I do not follow that principle to the extent I should. But regardless of motivations, the effect is clearly what the Senator from Illinois has said.

Mr. DOUGLAS. In community after community, I found those who believe in public housing worn out and exhausted

by the delays to which the Senator from Minnesota has referred, and by the constant demands to revise the plans and to deal with petty details of administration, as the Senator from Pennsylvania has said.

Mr. CLARK. The Senator from Illinois will recall that, as members of the Housing Subcommittee of the Banking and Currency Committee, he and I held hearings last fall—he, in Illinois, where many of the mayors of his own State testified; I, in Portland, Maine, and in Pittsburgh and Philadelphia, Pa. I think the results of those hearings, insofar as we were concerned, were identical; they showed that the situation is exactly that which the Senator from Illinois has described.

Mr. DOUGLAS. Furthermore, the attempt to pour cold water on urban renewal and public housing comes from rather close to the top. Does not the Senator from Pennsylvania believe that is really one of the strongest forces working for the retention and the growth of slums and the holding back of constructive programs for slum clearance and urban redevelopment?

Mr. CLARK. I repeat to my friend that I have been somewhat outspoken in my criticism of Albert Cole, the chief of the Housing and Home Finance Administrator. On several occasions, I have pointed out that when he was a Member of Congress he was a bitter opponent of public housing. Mr. Cole is a very charming and delightful man; and today he purports to have reversed his field and now to be a great believer in public housing, urban redevelopment, and so forth. I do not wish to be suspicious; but I must say that since he has been the head of the Agency, there has been a great deal of bureaucracy and red tape, and the public-housing program has jarred to a halt, and our efforts to "put it on the road" again, by means of the provisions of the bill, have been fought and opposed tooth and nail by Mr. Cole with every resource which he and the administration could bring to bear.

I hope our effort will be successful. We must make every effort, if we are to get the program underway again.

Mr. DOUGLAS. Mr. President, the Senator from Pennsylvania is performing a very valuable service in calling the attention of the country to the steps being taken by the administration, the result of which is the discouragement of urban renewal and slum clearance.

Mr. CLARK. Mr. President, I thank my friend, the Senator from Illinois, for his comments. I know that when the housing bill is under consideration on the floor of the Senate, the Senator from Illinois will be a leading protagonist of the bill which has been reported from the committee.

Mr. President, I yield the floor.

#### MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the

following enrolled bills, and they were signed by the President pro tempore:

S. 86. An act to amend the National Science Foundation Act of 1950, to provide for a program of study, research, and evaluation in the field of weather modification; and

S. 2007. An act to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed, and for other purposes.

#### INTERNATIONAL MEDICAL RESEARCH AND HEALTH YEAR

Mr. HUMPHREY. Mr. President, as we are all aware, recent Kremlin actions unfortunately have cast a very heavy cloud over the possibility of a proposed meeting of heads of state at the summit.

But regardless of whether or not there is a meeting of heads of state, I suggest now a different type of summit meeting, or meetings:

I propose that there be a "year" intensively devoted to a whole series of international conferences and exchanges of the greatest scientists and physicians of all nations. For what purpose? To speed the eradication of the major diseases of mankind—the killing and crippling scourges like heart disease and cancer.

For this specific purpose, I am submitting today a Senate concurrent resolution under which the Congress would ask the President to invite the nations of the world, through the medium of the World Health Organization, and related groups, to designate an International Health and Medical Research Year.

When would this year be held? At such early date as adequate preparations could be made; perhaps commencing January 1, 1960.

In January 1959, I may say, a committee of the World Health Organization will be meeting to explore the expansion of scientific research. Would it not be a wonderful stimulus to that committee if the Congress were to enact this concurrent resolution for this specific purpose and to have the President submit it to the WHO at that time?

#### TOY A WORKABLE FORMAT

Obviously, already a great many international meetings do occur; such as international cardiology, neurology, and other congresses.

But the fact that in the past, there were international scientific meetings did not, for example, prevent the designation of an International Geophysical Year. And that year is, by universal agreement, a genuine success.

And so I say: Let the doctors and scientists of the world meet at the summit for man's health. And let them do more than meet. Let each nation appropriate more research funds so that there will be more intensive research—more discoveries. Let the tremendous momentum and collaboration which are most feasible through the format of an international year be realized.

Let us make this, in effect, an international "Manhattan project"; a period of 18 months of the most intensive medical research and cooperation in the history of man.

## GOVERNOR STEVENSON'S ORIGINAL SUGGESTION

By way of background, let me state that the concept of such an International Health Year came originally not from myself but from a distinguished private citizen of our land. He was speaking, however, I know, for the thought and conscience of America.

It will be recalled that on June 9, the distinguished majority leader of the Senate [Mr. JOHNSON] and I referred to an impressive address delivered by Gov. Adlai E. Stevenson at Michigan State University. The text of Governor Stevenson's remarks may be found in the RECORD for June 9.

In the course of his address, Governor Stevenson advanced this specific suggestion for an International Medical Research and Health Year. I should like to cite what Governor Stevenson said:

The International Geophysical Year has been a great success and brought forth much of value and scientific cooperation. Why don't we now propose an International Medical Research and Health Year as another way for the world to cooperate for survival instead of destruction? Certainly, collaboration and exchanging research and resources in the field of medicine and health would be merciful to the human race—which is something we all have in common—and could further reduce tensions and mistrust.

Immediately on the publication of the address in the RECORD, I sent a copy of it to the Surgeon General of the United States, Dr. Leroy E. Burney, chairman of the United States delegation to the 11th World Health Assembly, then meeting in Minneapolis. Dr. Burney is also, I am glad to say, president of the 11th World Health Assembly, as well.

Dr. Burney promptly responded. He indicated that because of the relative lateness of the hour—the Minneapolis Assembly was scheduled to recess in but a day thereafter—it was not possible to give immediate consideration to Governor Stevenson's proposal.

Nevertheless, Dr. Burney indicated that he would explore it with the staff of the National Institutes of Health and others with a view to the possibility of submitting it in appropriate form to the WHO executive board through the United States member, Dr. H. van Zile Hyde.

I look forward, therefore, with pleasure to the consideration which I know will be given to Governor Stevenson's proposal along with WHO's utilizing of the United States offer of \$300,000 for a study of expanded research.

## THREE RELATED HEALTH DEVELOPMENTS

I should like to point out three further health developments:

First. Now I refer to the Senate-House conference report on the Mutual Security Act of 1958. I invite attention to pages 30 and 31, in which are described the acceptance by the conference committee of the 2 Senate amendments which I had been pleased to offer.

The one amendment declares United States policy to spur research through the World Health Organization into the major killing diseases. The other amendment authorizes the utilizing of Public Law 480 funds for scientific publications and information, including medical research data.

Second. As a further development, I cite the efforts of international mental health groups to have an international mental health year.

Certainly there are few illnesses which more justify a combined assault by the scientific thinking of man than do the various illnesses of the mind.

Third. I cite this fact: Sunday's New York Times reported an interview with the vice president of the Soviet Committee for the International Geophysical Year, Prof. Y. Boulanger. The interview is contained in the latest issue of the Soviet magazine New Times to reach this country.

Professor Boulanger indicates that the Soviet Union does desire to extend the current geophysical year program beyond its scheduled termination this coming December 31; perhaps for an additional 6 months or a year.

Professor Boulanger indicated a number of reasons for his position, including the facts that (a) many of the observatories and major geophysical stations, in a number of countries, were reportedly late in getting underway; (b) he states that this has not been, apparently, a typical period for meteorological research and related study of earth and solar phenomena; and (c) he asserts that the IGY Antarctic research program cannot be completed by the end of this year.

Thus, we see developments in different parts of the world indicating that the concept of intensified scientific study, such as marks the International Geophysical Year—that this concept has taken hold.

Of course, inherent in this concept is the idea that not only shall vital new information be discovered and collected by the respective nations, but that it shall be pooled and made promptly available for the scientific community of the world.

## CONCLUSION

Thus, I conclude: The Kremlin's brutal action in Hungary has diminished the chances of the meeting of the heads of state.

But that should not prevent the meetings of mankind's healers—its physicians, its researchers, its medical technicians.

Such a meeting occurred on Monday night here, when Dr. Burney was host at a farewell banquet for foreign WHO delegations, including the Russian delegations.

I say, let there be more such medical meetings at the summit.

What do all of these evidences which I have cited point to? They point to a momentum in world scientific research and cooperation.

I hope that this momentum will be maintained. I hope that the concepts of the IGY will not be lost or put in suspended animation after December 31.

I ask unanimous consent that after my statement, certain appended materials be printed in the body of the RECORD at this point, including the reply of Dr. Burney which I have cited, plus excerpts from the conference report on the Mutual Security Act of 1958.

There being no objection, the excerpts from the letter and report were ordered to be printed in the RECORD, as follows:

DELEGATION OF THE  
UNITED STATES OF AMERICA,  
ELEVENTH WORLD HEALTH ASSEMBLY,  
Minneapolis, Minn., June 13, 1958.  
The Honorable HUBERT H. HUMPHREY,  
United States Senate.

DEAR SENATOR HUMPHREY: Thank you for your letter of June 11, enclosing a reprint of Governor Stevenson's commencement address at Michigan State University. The proposal for an International Medical Research and Health Year is most interesting, and I much regret that there has not been time to consider this proposal at the 11th World Health Assembly. Unfortunately, the committee work was concluded before I received your letter, the closing session being held this morning.

Since it has not been possible to present this suggestion at this session of the assembly, I shall explore it with the staff of the National Institutes of Health and others with a view to the possibility of submitting it in appropriate form to the WHO executive board through the United States member, Dr. H. van Zile Hyde.

I wish to thank you most warmly for your keen interest and great help in promoting international health. The meetings in Minneapolis were a great success. The reception given to the delegates by the people of Minnesota was heart warming and made a deep impression on everyone. The delegates saw America at her very best.

Sincerely yours,

LEROY E. BURNEY, M. D.,  
Chairman.

REPORT No. 1941—MUTUAL SECURITY ACT OF 1958

USE OF PUBLIC LAW 480 CURRENCY FOR SCIENCE  
(SEC. 502 (L))

The Senate amendment amended section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), by adding a provision authorizing the use of Public Law 480 currencies for scientific activities. Under the provision, Public Law 480 currencies could be used to collect, collate, translate, abstract, and disseminate scientific and technological information. They could also be used to conduct and support scientific activities overseas, including programs of scientific cooperation between the United States and other countries. Such cooperative projects and programs would include coordinated research against disease. The House bill contained no similar provision.

The managers on the part of the House receded and accepted the Senate provision.

Recent events have demonstrated the need for increased emphasis on scientific activities. There is an urgent need for translations and abstracts of scientific articles and books, both in the United States and abroad. This section will help meet that need. Furthermore, this provision will result in the United States, through cooperative activities, securing the benefits of increased scientific activity, and research abroad. It will help in eliminating diseases common to all mankind and those which are common to particular regions.

The provision does not in itself make funds available to any agency of the United States. It authorizes the use of Public Law 480 currencies for the purposes stated but leaves to the President the question as to which executive agency will administer the program.

WORLD HEALTH ORGANIZATION RESEARCH (SEC. 502 (M))

The Senate amendment amended the act of June 14, 1948, as amended, concerning United States participation in the World



Health Organization, by adding a new section 6, declaring it to be the policy of the United States to continue and to strengthen mutual efforts among nations for research against diseases, such as heart disease, and cancer, and inviting the World Health Organization to initiate studies for the strengthening of research and related programs against such diseases.

The House bill did not contain a provision on this subject.

The managers on the part of the House accepted the Senate amendment. There did not appear to be any basis for disagreement with the objectives of this provision. It involves only matters of direction and of emphasis of existing operations, and it does not call for any additional expense.

The committee of conference recognized the advantages to be derived if in these and other health programs the executive by appropriate regulation take fullest advantage of the psychological value of the American origin of effective medicines.

**The PRESIDING OFFICER.** The concurrent resolution submitted by the Senator from Minnesota will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 99), submitted by Mr. HUMPHREY, was referred to the Committee on Foreign Relations, as follows:

Whereas the United States has a long and honored tradition of contributing to international scientific research, including our participation, in 1882-83, in the First Polar Year; and, in 1932-33, in the Second Polar Year;

Whereas under the National Science Foundation Act of 1950, approved May 10, 1950 (64 Stat. 149), a National Science Foundation was created "to develop and encourage the pursuit of a national policy for the promotion of basic research and education in the sciences," and "to foster the interchange of scientific information among scientists in the United States and foreign countries";

Whereas the Supplemental Appropriation Act, 1955, approved August 26, 1954 (68 Stat. 800), allocated funds for United States participation in the International Geophysical Year;

Whereas the results of the International Geophysical Year are proving so impressive and constructive that leading scientists and laymen have urged extension of the year in order that the momentum of discovery and cooperation may be continued; and

Whereas no phase of science is of greater significance to mankind than research into the health and well-being of man himself: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That the President of the United States is hereby invited to extend to the other nations of the world, through the World Health Organization, and related organizations, an invitation for the designation of an International Health and Medical Research Year, at such early date as adequate preparations can be made; and be it further

*Resolved,* That such a year be dedicated to intensive international cooperation toward the discovery and exchange of the answers on coping with major killing and crippling diseases which afflict mankind.

#### MALPRACTICES AND CORRUPTION IN LABOR RELATIONS

Mr. McNAMARA. Mr. President, I find in the Washington Post of today a letter to the editor, under the caption "Victory for Compromise." The letter is written by a Mr. Hyman H. Book-

binder, of Bethesda, Md. His eloquent remarks dealing with his version of the real story of American labor seems to me to be very timely. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

#### VICTORY FOR COMPROMISE

After reading your very fair June 20 editorial, Victory for Compromise, it seemed to me that there are some additional things that need saying to put this whole problem of labor corruption in proper perspective. That there have been shocking malpractices in labor is beyond dispute. That action was needed is equally beyond dispute.

But the public image of the American labor movement, as reflected in the hearings and deliberations of the last 2 years, is distorted and unfair.

I am not thinking alone of the fact that only a small percentage of union leaders are dishonest. This fact has now been widely acknowledged. Even labor's most outspoken foes—on the Senate floor especially—have learned to say the right words about most labor leaders being honest. Similarly, they acknowledge, albeit begrudgingly, that the AFL-CIO acted quickly and decisively to clean up its own house.

I am much more interested and concerned about the fact that the recent hearings and debates have, unavoidably but nevertheless unfortunately, so stressed the seamy side of the labor story that the average American may forget what is meant by this thing called the labor movement.

It saddened me these past weeks to follow the Senate debate and the public discussion thereof. There was talk of kickbacks and bribes, of shakedowns and threats. Even labor's staunchest supporters found themselves talking about the individual member's protection against the union—as if the union was presumed to be a monster unless proved otherwise. From the record of this debate, there was precious little to support the notion of a labor movement.

After 20 years in this movement, I am no starchy idealist. I do not contend that every action taken by labor is motivated by the highest ideals of our Judeo-Christian civilization. I know that trade unionists are people, and that as people they show substantially the same qualities of strength and weakness, of courage and cowardice of selfishness and selflessness of energy and lethargy, of tolerance and prejudice, as other people do.

There are sinners among them, and there are saints. There are wise ones, and there are those not so wise. But nothing that has been exposed in these 2 years has shaken my basic conviction that the American labor movement is the greatest single force in this country for the extension and protection of economic and political democracy.

The labor movement constitutes this great democratizing force not because of its national leaders, impressive as have been their contributions. Its great value comes from the very nature of the labor movement. Such a movement necessarily requires active participation and leadership by a substantial proportion of its numbers. Thus it provides the vehicle and the challenge for personal growth and understanding for many thousands.

The story of labor can be told in terms of wage gains, in terms of fringe benefits, in terms of reduced hours. It can be told in terms of job security and pension programs, I prefer to leave this story to the labor economist. To me the real story of labor is the opposite of the false image created by the

recent disclosures. I do not think of Joe Worker as the meek, cowed, scared dues-payer.

I see rather the guy or gal who serves on the grievance committee or the negotiating committee, on the education or the legislative committee. I think of the union member who volunteers to do picket-line duty or election-day duty. I hear the loud screams of the typical rank-and-filer who doesn't like what his local officer is doing and says so.

The real story of American labor is an eloquent story of sacrifice. It is the story of long strikes for principles, not immediate wage gains. It is the story of contributions to charities and to fellow unionists abroad. It is the story of solidarity, of brotherhood, of sympathy. Very few movements in all of man's history can match the labor story in terms of loyalty and sacrifice.

The Becks and the Hoffas and the Dios can never erase the true picture of what unions have meant to people. And they can only temporarily halt the further progress that must and will be made. But whatever form that progress will take, I doubt that anything will ever exceed the value of the union's contribution cited by a worker of Polish extraction some years ago. His union was celebrating its 20th anniversary and Walter Reuther had just made the principal address. The worker went over to Reuther, put his arms on his shoulders, and said:

"Walter, you can talk all about higher wages, and retirement, and job security. You know what the union means for me? Twenty years ago, I work in this shop and everybody call me dumb Polak \* \* \*. Now they call me brother."

HYMAN H. BOOKBINDER.

BETHESDA.

#### MORE JOBLESS DESPITE RECOVERY?

Mr. HUMPHREY. Mr. President, in recent weeks there have been indications that give us reason to hope the economic decline is finally bottoming out.

There has been a slight upturn in industrial production; personal income has risen a small amount; and construction, including private housing starts, has shown marked improvement.

These are most encouraging signs and no one is more pleased to see them than myself. But I do not feel that these indications should give us cause to be complacent and to believe that we have licked the recession.

There are still many negative indications. Industrial production is off by more than 12 percent from last August. The gross national product since the third quarter of last year has declined by an annual rate of \$18 billion and there is no reason to believe that the current quarter will show any improvement. And the latest estimates of business expenditures for plants and equipment have been revised downward for the year from \$32 billion to \$30.8 billion, making the prospective decline from 1957, 17 percent. Also of significance is the fact that machine-tool orders are down sharply from last year.

What is of concern to me, Mr. President, is that we will become content with letting the economy simply bump along on the bottom and refuse to take action to get the economy back on the road to recovery. This, to me, represents a very serious danger.

As the St. Louis Post Dispatch stated in a recent editorial on the recession bottoming out:

Welcome as this news is, it does not justify the administration's continued inaction and it does not change the basic fact that the national economy has stopped growing. Since new workers are joining the labor force every month, stagnation can be as costly as decline. Every month of official paralysis in Washington costs the Nation billions of dollars in lost production. \* \* \*

At a time when the Soviet economy is expanding rapidly, and when every month of delayed recovery increases the strain on our allies abroad, the United States simply cannot afford the risk of continued slump.

What the St. Louis Post-Dispatch says is certainly true. We cannot afford the risk of a continued slump. The head of the Central Intelligence Agency, Mr. Allen Dulles, has said the same thing. The latest report of the Rockefeller Brothers Fund has emphasized this point also. And renowned economists—too numerous to mention—have been calling our attention to this danger of a prolonged recession. I have, throughout this recession, been inviting attention to the warnings of respected and authoritative individuals and organization which have been alarmed over the worldwide implications of a protracted recession.

It is not enough that our economy merely level off. It is imperative that we have continued growth in order to have prosperity and in order to maintain our position of strength against the totalitarian forces of the Soviet Union. I cite the rise last year of industrial production in the Soviet Union of more than 10 percent, while our own industrial production was falling by 10 percent.

In the June 14 issue of *Business Week* there appeared an excellent article entitled "More Jobless Despite Recovery?" which explains in lucid language why there must be constant economic growth in order to avoid mounting unemployment. The article reports that Government labor specialists are of the opinion that if the economy does no more than regain its 1957 peak by the second quarter of next year, unemployment will be higher a year from now than it is today. And it should be noted that this prediction assumes a steady, continuing recovery starting in the third quarter of this year. If, however, there is no such improvement, then the estimate of 6 million unemployed a year from now will be far too conservative. *Business Week* reports that at least one experienced Washington official is of the opinion that unemployment by next year may well reach 10 million.

I ask unanimous consent that this informative article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### **MORE JOBLESS DESPITE RECOVERY?**

Unemployment dropped to 4.9 million in May. But this month it will hit a new postwar peak of more than 5.5 million. Some manpower economists, in fact, think the June figure will be closer to 6 million.

Seasonal factors that, since early spring, have been helping to push down the level of unemployment are starting to push in the

opposite direction—as hundreds of thousands of young people leave school and start hunting for jobs.

To be sure, in the months just ahead, summer jobs in farming, construction, and elsewhere, followed by the autumn exodus of many students from the labor force, will again reduce unemployment—probably to about 4 million in October.

#### **KINDRED FACTORS**

But beyond October lies the crucial question about unemployment—and its relationship to the economic recovery, which is already showing some signs of life (*Business Week*, June 7, 1958, p. 26).

Government labor specialists have been trying to estimate how unemployment will behave in the moderate and rather gradual recovery that both business and Government economists now generally expect. What emerges from their analysis is the conclusion that a moderate recovery would be insufficient to make a dent in the present level of unemployment. Indeed, they reason, if the economy did no more than regain its 1957 peak by the second quarter of 1959, unemployment would be higher a year from now than it is today.

#### **FEARS OF RELAPSE**

This dour conclusion is leading some top-level economists to wonder whether a recovery too weak to reduce unemployment a year from now might not turn into a relapse, which in turn would boost unemployment considerably higher than the present peak. At least one experienced Washington hand—with a distinguished record as forecaster—thinks the recovery will be abortive and unemployment might reach 10 million in 1959.

But even those analysts who assume a steady, continuing recovery starting in the third quarter of this year conclude that unemployment next June might be above 6 million.

#### **VISTA AHEAD**

Economists in the Labor Department and Census Bureau have been working on a detailed projection of the unemployment picture for the coming 12 months. As their starting point, they took an overall forecast of the United States economy prepared by the Council of Economic Advisers. This best guesstimate of CEA shows gross national product leveling in the current quarter at about the \$422 billion rate registered in the first quarter of 1958 and then rising by \$5 billion each quarter until it reaches \$440 billion in second quarter 1959. That's the same level, in current dollars, at which the economy operated during the third quarter 1957 peak.

But, measured in 1957 dollars, GNP would then be only about \$430 billion—on the assumption that prices in 1959 will be about 2½ percent higher than in 1957.

#### **I. HOW IT FIGURES**

At this point, the Labor Department-Census Bureau economists went to work to estimate the unemployment implications of a \$440 billion GNP in mid-1959. This involved considering the effects of changes in the total labor force, in hours worked, and in productivity.

#### **More workers**

On the labor force, they concluded that growth was likely to continue at about the rate suggested by population forecasts—or somewhere between 750,000 and 1 million extra job seekers per year. The current recession has thus far done nothing to slow the growth of the labor force stemming from population changes. In April of this year, the labor force numbered 68 million, against 66.9 million in April 1957.

Apparently, though the recession pushes some job seekers out of the labor force, this is roughly offset by others who find work to

supplement the lost wages of unemployed or partially employed family breadwinners. Labor Department manpower specialists expect these offsetting trends to continue within a pattern of growth resulting from changes in the population's age structure. Thus, 1 year from now, the economy would have to provide an additional 750,000 to 1 million jobs, to take care of the growing labor force, if unemployment were just to be held even at about its present level.

#### **More man-hours**

On hours of employment, the forecasters expect that an economic recovery would tend to lengthen working hours before it had a proportionate effect on the number of workers actually employed. When the economy was running at a \$440 billion annual rate in 1957, the workweek in manufacturing averaged about 40 hours. In April, the manufacturing workweek was averaging only 38.3 hours. If GNP moves back to \$440 billion, the forecasters assume that the workweek should lengthen by about 1 hour.

If this rise in working hours were limited to the more than 15 million workers employed in manufacturing, it would come to about 800 million man-hours on an annual basis—or the equivalent of about 400,000 full-time jobs that might otherwise be created. But if some increase in weekly hours is also experienced by all nonagricultural wage and salary workers—who now number more than 50 million—the extra hours might take the place of many more new jobs, possibly as much as 1 million.

#### **More productivity**

The third factor likely to keep unemployment high in the year ahead is rising productivity—since if each worker can turn out more goods, you don't need to hire back as many as you laid off. Labor Department productivity experts are assuming that there will be a 2-percent rise in output per man-hour during the coming 12 months. And this rise should be distributed among the entire employed labor force in both industry and agriculture, numbering more than 60 million. A 2-percent annual rise in productivity would mean that by mid-1959 you could produce a GNP of \$430 billion, in 1957 dollars, with 2 million fewer workers than were required 2 years earlier.

For instance, in the case of the auto industry, one labor economist holds that Detroit today could build more than 6 million cars with some 200,000 workers fewer than were required in 1956, thanks to automation.

Actually, of course, the assumption of a continuing 2-percent rise in productivity for all industries is the crudest kind of a guess—though it's at least roughly consistent with the long-run productivity trend. Some analysts feel that productivity is likely to rise even faster than that in the coming year, as management strives for greater efficiency to reduce costs and workers put out harder in an effort to keep their jobs.

#### **Disappearing white collars**

One development that may have the twin effect of boosting output per man-hour and reducing employment in the coming months is the increasing pressure to cut back the number of jobs of nonproduction workers (*Business Week*, May 31, 1958, p. 17). In part, this results from the decline in capital spending on new plant and equipment—which created many jobs for engineers, designers, draftsmen, and other technicians. In part, it comes from a desire to cut costs by reducing the number of nonessential employees such as management development trainers, public relations staffers, personnel counselors, and so on.

The expansion of nonproduction jobs in recent years appears to some analysts, such as Murray Wernick of the Federal Reserve Board, to have been a significant drag on



productivity—at least in the short run. Noting that the number of nonproduction workers grew by 11 percent from 1955 to 1957, while the number of production workers declined by 1 percent, Wernick concludes that this shift has resulted in a slower rate of reported productivity gain if you calculate productivity by dividing total output by total employment. In the coming period, this factor promises to operate the other way around—with the slower growth or possible decline of nonproduction employment acting as the apparent cause of faster productivity gains.

#### II. TOO MUCH DRAG?

If you put all these factors together, you get a disturbingly big total of unemployment. But it's one that would appear consistent with a mid 1959 GNP rate of \$440 billion, in current prices. Theoretically, moving up to that level from the present \$420 billion would probably create about 2½-million more jobs. But because rising productivity, longer hours, and growth in the labor force will more than cancel this out, it's probable that unemployment will either stay near 6 million or rise by nearly 1 million. The Labor Department census forecasters are inclined to pick the lower side of this range. They are currently talking of a rise in unemployment from 5.7 million in June 1958, to 6.1 million in June 1959.

#### Success or nothing

But some Washington analysts think this forecast simply will not hang together. They scoff at the possibility of a sustained quarter-to-quarter rise in GNP if it is accompanied by a continued upcreep in unemployment.

In fact, these doubters argue, either the recovery will be healthier than presently projected and unemployment will begin to shrink by the time we reach mid-1959—or else the recovery, with unemployment still rising, will fizzle out. Then unemployment might go much higher than 6 million.

Their reasoning is that so heavy and rising a level of unemployment would depress consumption, and put increasing pressure on the price and profit structure of the economy. In that situation, a recovery that had nothing more behind it than a slight stimulative effect from the slowing down of inventory liquidation and a moderate rise in Government spending would soon run out of steam and collapse. And this is the basic reason a number of Washington economists—and a handful of the policymakers they advise—are pressing for a strong Government program to stimulate the economy, even if a moderate recovery is getting underway.

#### More vigor needed

A much stronger recovery than anybody now expects, the case goes, is required to restore the economy to anything resembling full employment. To get unemployment down to 4 percent of the labor force again, the staff of the Joint Economic Committee now estimates, GNP would have to be \$460 billion in 1958 and \$475 billion in 1959. Few economists would give odds on either of those two figures.

Indeed, today's leading setter of odds on the probable length of business cycles, Geoffrey H. Moore, of the National Bureau of Economic Research, in a study financed by the Council of Economic Advisers and the National Science Foundation, now finds that, given the severity of the present decline, "It would be in line with previous experience" if business stayed below the 1957 peak from 1½ to 2½ years—that is, from some time in 1959 until early 1960.

And staff economists of the Joint Economic Committee, basing their estimates not on historical records but on current analysis of business, Government, and consumer spending trends, find that—on "optimistic" assumptions—unemployment next winter will be at least as high as recent levels of

5 million to 5.5 million; on less optimistic assumptions, they conclude that unemployment early in 1959 will rise to 7 million.

**Mr. HUMPHREY.** In conclusion, Mr. President, I reiterate my warning that we not be satisfied with the recession merely bottoming out—if in fact it is bottoming out. We must put our minds and energies to work to revive the economy, restore economic growth, and eliminate the high level of jobless workers.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 2, 1958, he presented to the President of the United States the following enrolled bills:

S. 86. An act to amend the National Science Foundation Act of 1950, to provide for a program of study, research, and evaluation in the field of weather modification; and

S. 2007. An act to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed, and for other purposes.

#### ADJOURNMENT

**The PRESIDING OFFICER.** What is the pleasure of the Senate?

**Mr. HUMPHREY.** Mr. President, in accordance with the order previously entered, I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Thursday, July 3, 1958, at 12 o'clock meridian.

#### NOMINATION

Executive nomination received by the Senate July 2, 1958:

##### DIPLOMATIC AND FOREIGN SERVICE

Waldemar J. Gallman, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Arab Union.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate July 2, 1958:

##### NATIONAL SCIENCE FOUNDATION

The following-named persons to be members of the National Science Board, National Science Foundation, for terms expiring May 10, 1964:

Detlev W. Bronk, of Pennsylvania.  
T. Keith Glennan, of Ohio.  
Robert F. Loeb, of New York.  
Lee A. DuBridge, of California.  
Kevin McCann, of Ohio.  
Jane A. Russell, of Georgia.  
Paul B. Sears, of Connecticut.  
Ernest H. Volwiler, of Illinois.

##### NATIONAL LABOR RELATIONS BOARD

Philip Ray Rodgers, of Maryland, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 1963.

##### POST OFFICE DEPARTMENT

Ormond E. Hunt, of Michigan, to be a member of the Advisory Board for the Post Office Department.

##### COLLECTOR OF CUSTOMS

Bligh A. Dodds, of New York, to be collector of customs for customs collection dis-

trict No. 7, with headquarters at Ogdensburg, N. Y.

#### POSTMASTERS

##### ALABAMA

James S. Somerville, Aliceville.  
James G. Stone, Ashland.  
Foster B. Jones, Ashville.  
Aaron Glinnie Weaver, Bay Minette.  
Grant C. Barham, Bridgeport.  
Blonnie R. Parker, Chase.  
John C. Justice, Jr., Childersburg.  
Robert L. Cockrell, Double Springs.  
George S. Thomas, Eufaula.  
Virgil Wallace Fuller, Five Points.  
James E. Hughes, Jr., Geneva.  
Alice H. Hyatt, Grady.  
Mary E. Williams, Grand Bay.  
William C. Wilson, Hodges.  
Luther W. Bowen, Horton.  
Robinnett T. Jones, Leeds.  
David L. Capps, Luverne.  
Gertrude J. McClurkin, Mount Meigs.  
Harold E. Carroll, Mulga.  
Lindsay G. Fields, Jr., Normal.  
Carolyn S. Brown, Northport.  
Roy J. Banks, Pell City.  
Sara Jo Green, Pleasant Grove.  
Lena Gertrude McConnell, St. Elmo.  
Woodward E. Davis, Selma.  
Jack D. Pence, Somerville.  
Roy Wesley Rhodes, Tuscaloosa.  
William J. Dobson, Tuscumbia.  
Robert N. White, Valley Head.  
Newton J. Robinson, Verbena.  
John T. Davidson, Vinegar Bend.  
William L. Glenn, Wetumpka.  
Gatewood M. Hatcher, York.

##### ARIZONA

Mary E. Paul, Inspiration.  
Jessie C. Cox, Pinetop.  
John H. Roll, Jr., Roll.

##### ARKANSAS

Vera M. Garrick, Hermitage.

##### CALIFORNIA

Laura W. McNeil, El Cerrito.  
Wallace R. Cate, Lakeside.  
Mary G. Mosby, Myers Flat.  
Everett T. Carpenter, North Hollywood.  
Harold A. James, Oroville.  
Morris S. Butz, San Joaquin.

##### COLORADO

Hazel L. Weston, Bristol.

##### CONNECTICUT

Ralph F. Camp, Bridgewater.  
William H. Hills, Hebron.  
Pasquale J. Sansevero, Northford.

##### IDAHO

John Harold Toolson, Bancroft.  
Mary Jeane Jones, Donnelly.  
Glenn E. Levers, Payette.

##### ILLINOIS

John F. Wooldridge, Broughton.  
Harold G. Miller, Compton.  
Chauncey C. Glosser, Decatur.  
Alice G. Woessner, Franklin Grove.  
Wayne W. Bird, Galatia.  
Alfred E. Leininger, Nauvoo.

##### INDIANA

Jack W. Mayfield, Bruceville.  
Paul Marks, Clarks Hill.  
Brenton D. Byerley, Crandall.  
Maxwell E. Lee, Danville.  
John E. Garrett, Huntingburg.  
Kenneth H. Cook, Kewanna.  
Franklin E. Dark, Kingman.  
Rufus A. Purdue, Middletown.  
Albert Lee Bennett, New Lisbon.  
Derward E. Davidson, Worthington.

##### KANSAS

Eldon E. Klinzmann, Agra.  
Vernon Ralph Bean, Anthony.  
Eldor I. Duensing, Bremen.  
Wilbur Milton Talkington, Matfield Green.  
Robert Anderson, Scammon.

## KENTUCKY

Kermit W. Cook, Beaver Dam.  
James M. Lane, Gravel Switch.  
James S. Little, Jackson.  
T. Y. Tabor, Munfordville.  
Robert W. Quinn, Prospect.  
Thomas L. Mattingly, St. Mary.  
James D. Young, White Plains.  
John O. Boarman, Jr., Whitesville.

## LOUISIANA

Doris L. Hebert, Baldwin.  
James H. Smith, Newllano.  
Lillian T. Martin, Ruston.

## MAINE

John C. Callahan, Farmington.  
John C. Swett, Howland.  
Victor C. Brown, New Sharon.  
Wilnot R. Crandlemire, Vanceboro.

## MARYLAND

Adam M. Kraisser, Hanover.  
John R. Corun, Jr., Jefferson.  
William R. Long, Sharpsburg.  
Anna N. Moore, White Marsh.

## MASSACHUSETTS

Marion P. Norman, Bellingham.  
Albert A. Gaukroger, Beverly.  
Thomas J. Mason, Clinton.  
Sydney E. St. Peters, Conway.  
Charles M. Thrasher, Natick.  
Eleanor F. Ricker, West Chelmsford.  
Theodore A. Swieca, West Groton.

## MICHIGAN

Jack D. Dickhout, Boyne City.  
Jacob D. Bostrom, Jr., Branch.  
Lyle G. Kaechele, Caledonia.  
Richard F. Richardson, Clinton.  
Olen O. Smith, Crystal.  
Thomas J. Butler, Emmett.  
Elizabeth E. Ospring, Grand Junction.  
Dorathia S. Parmenter, Holton.  
Frank E. Kline, Jones.  
Donald D. Iverson, Lake City.  
Frank M. Townsend, Marcellus.  
James L. Collins, Milan.  
Robert G. Brown, Monroe.  
Leonard L. Swanson, Muir.  
Edmund B. Sulski, Napoleon.  
Merle Jean Fester, Riverside.  
Eugenie A. Westhauser, Sawyer.  
Orrin B. Powell, Stockbridge.  
Edward O. Perkett, Traverse City.

## MINNESOTA

Rudolph F. Berg, Jr., Bagley.

## MISSISSIPPI

Reiford W. Castens, Camden.  
Charles F. Crigler, Starkville.  
James W. Anderson, West Enterprise.

## MISSOURI

Joseph E. Manson, Keytesville.  
Edward J. Shelton, West Plains.  
Wayne N. Welker, Williamstown.

## MONTANA

Donald F. Valiton, Deer Lodge.

## NEBRASKA

Leonard L. Larsen, Fremont.  
Denny L. Stecher, Hooper.  
Aaron E. Brodhagen, Pierce.

## NEVADA

Myrtle M. Curtis, Weed Heights.

## NEW HAMPSHIRE

Winburn T. Dudley, Union.  
Leroy F. Barnhart, Wentworth.

## NEW JERSEY

Wallace H. Harvey, Far Hills.  
Warren J. Binns, Jr., Garwood.  
Carl F. Vanderwall, Linden.  
John A. Castellano, Mount Ephraim.

## NEW YORK

Paul E. Wamp, Jr., Dansville.  
Nicholas W. Toborg, Leeds.  
Mabel M. Herman, North Java.

## NORTH CAROLINA

Albert E. Ballard, Ansonville.  
Raymond L. Long, Biscoe.  
John H. Hufton, Creswell.  
George O. Petree, Danbury.  
Isabelle M. Howard, Fairfield.  
Frank Conder, Jr., Indian Trail.  
Charles Clifton Mock, Pfafftown.  
Leland L. Allsbrook, Scotland Neck.  
John H. Norton, Stony Point.  
Lloyd J. Parrish, Swansboro.  
Harry R. Sams, Woodland.

## NORTH DAKOTA

Leo J. Lesmeister, Hallday.  
William Harold Dunnell, Minot.  
Orlando A. Lebacken, Reynolds.

## OHIO

Ross N. Lament, Huntsville.  
Gail E. Collins, Lakeview.  
Lloyd E. Ullman, Lower Salem.  
William Patrick Lochary, Pomeroy.  
Robert M. Talmage, Sabina.

## OKLAHOMA

Mabel C. Heidenreich, Duke.

## OREGON

Joseph W. Dougherty, Aumsville.  
Eva A. Murray, Dayville.  
Lucile R. Olney, Hammond.  
George E. Crakes, Harrisburg.  
Lulu C. Sheasley, McKenzie Bridge.

## PENNSYLVANIA

Gerald Kilmer, Avondale.  
Louis C. Schultz, Blossburg.  
Fay M. Lash, Bobtown.  
Doris G. Evans, Brave.  
John Blackwood, Jr., Center Valley.  
Janet C. Marsico, Cheswick.  
Harry O. Campsey, Jr., Claysville.  
Bernard N. Murphy, Dushore.  
French Cason, Sr., Greensburg.  
Aleda U. Shumaker, Jerome.  
Robert F. Acker, Lake City.  
Harry S. Kolva, Lykens.  
Robert B. Woodring, Milesburg.  
Edward J. Miller, Newry.  
Leo J. English, Oil City.  
Mary D. Bacha, Rixford.  
Claude B. Arnold, Rome.  
James W. Sullivan, Snow Shoe.  
Pauline A. Gossick, Stiles.  
Edgar S. Babb, Tatamy.  
Kenneth C. Beener, Valley Forge.  
Charles Blaine Strickler, Washington Boro.

## SOUTH CAROLINA

Donald H. Burch, Cheraw.  
Lou Ann Wilder, Hemingway.  
Jack Edwards, Johnston.

## SOUTH DAKOTA

Rolland R. Mattheis, Lennox.  
Stephen Robert Pearson, Webster.

## TENNESSEE

Marvin H. Reaves, Dyersburg.  
Billie J. Ross, McEwen.

## TEXAS

Jake Fortenberry, Adrian.  
Jean M. Barnhart, Cactus.  
Ralph O. Crawford, Dilley.  
Frances M. Harvey, Fort Davis.  
Darrell R. Sherman, Leander.  
Edward H. Leache, McGregor.  
Elma T. Wakefield, Midway.  
Dorothy M. Henly, New Deal.  
James M. Sullins, Oglesby.  
Ruth J. Mras, Port Isabel.  
Jennie M. Moyer, Price.  
Lucy M. Matthews, Wickett.

## UTAH

Edwin W. Johnson, Bingham Canyon.  
Wayne Barney, Escalante.  
Glen T. Evans, Lehi.

## VERMONT

James A. Colburn, Lyndon Center.

## VIRGINIA

Lela O. Scott, Amelia Court House.  
Steve P. Phipps, Mouth of Wilson.

Grace Alleene Ringstaff, Pounding Mill.  
Maud N. Ridley, Stony Creek.

## WASHINGTON

William Bizyack, Cle Elum.  
Harrison H. Holmes, Cosmopolis.  
Hugh M. Behme, Custer.  
Lawrence B. Howe, Enumclaw.  
Harold H. Bechtold, Forks.  
Marion L. Ellsworth, Inchellum.  
Ione M. Jurgens, Kahlottus.  
Claude F. Kramer, Keyport.  
Edward P. Fitzgerald, Kitsap.  
Walter E. Soehl, La Center.  
Hazel L. Buckingham, Mansfield.  
Marguerite H. Riggs, Marblemount.  
Grace G. Kallenberger, Marlin.  
Joanne T. Allen, Moclips.  
Lawrence A. Winn, Oakesdale.  
James W. Markel, Omak.  
Lawrence G. Luzader, Pe Ell.  
Randall L. Stroud, Puyallup.  
Robert E. Olney, Redmond.  
Joseph Everett Reed, Selah.  
John H. Gray, Shelton.  
Gladys A. Theriault, Warden.  
Josiah F. Lester, Wenatchee.  
Bonnie M. Wade, Westport.  
Leslie J. Marsh, Wilkeson.  
Darrell G. Dufresne, Jr., Winthrop.

## WEST VIRGINIA

Clarence W. Haga, Cairo.  
Gladys M. Lewis, Camden on Gauley.  
Fred E. Wiseman, Charleston.  
Frances Adams, Hugheston.  
Rex A. Pygman, Huntington.  
Norman Edward Wagner, Marlinton.  
Frank H. Hardesty, Matoaka.  
James Woodrow Smith, Sophia.  
Granville Curtis Sexton, Welch.

## WISCONSIN

Clayton C. Watkins, Argyle.  
Paul W. Fleming, Emerald.  
Roy M. Schwalbach, Germantown.  
Gilbert H. Mueller, Glenbeulah.  
Paul C. Matzke, Juda.  
Jake Van Bendegom, Kenosha.  
Elmer M. Rumpf, Milton.  
Casamere A. Maniaci, Wood.

## WYOMING

Floyd W. Graefe, Jackson.  
Rouse W. Anderson, Ten Sleep.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 2, 1958

The House met at 11 o'clock a. m.  
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

*I Peter 3: 12: The eyes of the Lord are over the righteous and His ears are open unto their prayers.*

O thou God of all greatness and goodness, we thank Thee for that memorable day in the calendar of our national history, called Independence Day, which we are soon to celebrate.

May our hearts expand with the spirit of pride and patriotism, of gratitude and renewed consecration, as we contemplate and reflect upon its sacred significance.

We are grateful for the faith and fortitude of our forefathers and all those heroes and patriots who fought so valiantly to make the dream of freedom a blessed reality.

Grant that our beloved country may be inspired and strengthened in its glorious mission of releasing the hidden splendor of humanity and leading all



mankind into the radiant light of a new and better day.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 982. An act to amend section 77 (c) (6) of the Bankruptcy Act;

H. R. 10154. An act to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts;

H. R. 11861. An act authorizing the city of Chester, Ill., to construct new approaches to and to reconstruct, repair, or improve the existing approaches to a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 11936. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at Brownville, Nebr.;

H. R. 12311. An act to amend the act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia), to remove the limitation on the amount authorized to be appropriated for construction;

H. R. 12739. An act to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause; and

H. R. 12827. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7963. An act to amend the Small Business Act of 1953, as amended.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. ROBERTSON, Mr. SPARKMAN, Mr. CLARK, Mr. CAPEHART, Mr. BRICKER, and Mr. BENNETT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12948. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. McCLELLAN, Mr. JOHNSON of Texas, Mr. BIBLE, Mr. FREAR, Mr. DIRKSEN, Mr. IVES, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2117. An act directing the Secretary of the Army to transfer certain buildings to the Crow Creek Sioux Indian Tribe;

S. 3177. An act authorizing the modification of the Crisfield Harbor, Md., project in the interest of navigation;

S. 3203. An act relating to minerals on the Wind River Indian Reservation in Wyoming, and for other purposes;

S. 3437. An act authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada;

S. 3499. An act to amend the vessel admeasurement laws relating to water ballast spaces;

S. 3608. An act to revive and reenact the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada; and

S. 3728. An act to incorporate the Big Brothers of America.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 86. An act to provide for a research program in the field of weather modification to be conducted by the National Science Foundation, and for other purposes; and

S. 2007. An act to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed and to deposit such collections to the credit of the appropriation available for administration of the act, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11451) entitled "An act to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes."

#### ADMISSIBILITY OF EVIDENCE—STATEMENTS AND CONFESSIONS

The SPEAKER. The unfinished business is the passage of the bill (H. R. 11477) to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes.

The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 294, nays 79, not voting 57, as follows:

[Roll No. 118]

YEAS—294

Abbt	Flood	Michel
Abernethy	Flynt	Miller, Md.
Adair	Fogarty	Miller, Nebr.
Albert	Ford	Mills
Alexander	Forrester	Minshall
Alger	Fountain	Mitchell
Allen, Calif.	Frazier	Moore
Allen, Ill.	Fulton	Morano
Anderson, Mont.	Garmatz	Moulder
Andrews	Gary	Mumma
Arends	Gathings	Murray
Ashmore	Gavin	Natcher
Aspinall	George	Neal
Auchincloss	Glenn	Nicholson
Avery	Grant	Nimtz
Ayres	Gregory	Norblad
Bailey	Gross	Norrell
Baker	Gubser	O'Brien, N. Y.
Baldwin	Hagen	O'Hara, Minn.
Baring	Hale	O'Konski
Bates	Haley	Osmer
Baumhart	Harden	Ostertag
Beamer	Hardy	Passman
Becker	Harris	Patman
Beckworth	Harrison, Nebr.	Patterson
Belcher	Harrison, Va.	Pelly
Bennett, Fla.	Harvey	Pfost
Bennett, Mich.	Hébert	Pillion
Bentley	Hemphill	Poage
Berry	Henderson	Poff
Betts	Herlong	Polk
Blitch	Heselton	Preston
Bolton	Hess	Prouty
Bonner	Hiestand	Quie
Bosch	Hill	Ray
Bow	Hillings	Reece, Tenn.
Boykin	Hoeven	Reed
Bray	Hoffman	Rees, Kans.
Breeding	Holmes	Riehlman
Brooks, Tex.	Holt	Riley
Broomfield	Horan	Roberts
Brown, Ga.	Hosmer	Robison, N. Y.
Brown, Ohio	Huddleston	Robison, Ky.
Broyhill	Hull	Rogers, Colo.
Budge	Hyde	Rogers, Fla.
Burleson	Ikard	Rogers, Mass.
Bush	Jackson	Rutherford
Byrd	James	Sadlak
Byrne, Ill.	Jarman	St. George
Byrnes, Wis.	Jennings	Saylor
Canfield	Jensen	Schenck
Cannon	Johansen	Scherer
Carrigg	Johnson	Schwengel
Cederberg	Jonas	Scott, N. C.
Chamberlain	Jones, Ala.	Scrivner
Chelf	Judd	Scudder
Chenoweth	Kean	Seely-Brown
Chiperfield	Keating	Selden
Church	Kee	Sheehan
Clevenger	Kelly, N. Y.	Sheppard
Coad	Kilday	Sikes
Collier	Kilgore	Simpson, Ill.
Cooley	Kitchin	Simpson, Pa.
Corbett	Knox	Smith, Calif.
Coudert	Knutson	Smith, Kans.
Cramer	Krueger	Smith, Miss.
Cretella	Lafore	Smith, Va.
Cunningham,	Laird	Spence
Iowa	Landrum	Springer
Cunningham,	Lane	Staggers
Nebr.	Lankford	Stauffer
Curtin	Latham	Taber
Curtis, Mass.	LeCompte	Teague, Calif.
Davis, Ga.	Lennon	Teague, Tex.
Davis, Tenn.	Lipscomb	Tewes
Dawson, Utah	Loser	Thomas
Dennison	McCarthy	Thompson, La.
Derounian	McCormack	Thompson, Tex.
Devereux	McCulloch	Thomson, Wyo.
Dixon	McDonough	Tollefson
Dorn, N. Y.	McGregor	Tuck
Dorn, S. C.	McIntire	Utt
Dowdy	McMillan	Van Pelt
Doyle	McVey	Van Zandt
Durham	Macdonald	Vinson
Dwyer	Mack, Wash.	Vorys
Elliott	Magnuson	Walter
Engle	Mahon	Watts
Everett	Maillard	Weaver
Eyins	Marshall	Westland
Fallon	Martin	Wharton
Fascell	Matthews	Whitener
Feighan	May	Whitten
Fenton	Meador	Widnall
Fisher	Merrow	Wigglesworth
	Metcalf	

Williams, Miss. Winstead  
Willis Withrow  
Wilson, Ind. Wolverton

## NAYS—79

Addonizio  
Ashley  
Barrett  
Bass, N. H.  
Beland  
Bolling  
Boyle  
Brown, Mo.  
Byrne, Pa.  
Carnahan  
Celler  
Clark  
Coffin  
Curtis, Mo.  
Dawson, Ill.  
Delaney  
Dellay  
Dent  
Denton  
Diggs  
Dingell  
Dollinger  
Donohue  
Farbstein  
Fino  
Forand  
Friedel

Gordon  
Granahan  
Green, Oreg.  
Green, Pa.  
Griffiths  
Hays, Ohio  
Healey  
Hollfield  
Holland  
Holtzman  
Karsten  
Keogh  
Kling  
Kluczynski  
Lesinski  
Libonati  
McFall  
McGovern  
Machrowicz  
Mack, Ill.  
Madden  
Miller, Calif.  
Morgan  
Moss  
Multer  
Nix  
O'Brien, Ill.

O'Hara, Ill.  
O'Neill  
Perkins  
Philbin  
Porter  
Price  
Rabaut  
Reuss  
Rhodes, Pa.  
Rodino  
Rogers, Tex.  
Rooney  
Roosevelt  
Santangelo  
Sisk  
Sullivan  
Teller  
Thompson, N. J.  
Udall  
Ullman  
Vanik  
Wainwright  
Wier  
Yates  
Zelenko

## NOT VOTING—57

Andersen,  
H. Carl  
Anfuso  
Barden  
Bass, Tenn.  
Blatnik  
Boggs  
Brooks, La.  
Brownson  
Buckley  
Burdick  
Christopher  
Colmer  
Dague  
Dies  
Dooley  
Eberharter  
Edmondson  
Frelinghuysen  
Gray

Griffin  
Gwinn  
Halleck  
Haskell  
Hays, Ark.  
Jenkins  
Jones, Mo.  
Kearney  
Kearns  
Kilburn  
Kirwan  
McIntosh  
Mason  
Miller, N. Y.  
Montoya  
Morris  
Morrison  
Pilcher  
Powell  
Radwan

Rains  
Rhodes, Ariz.  
Rivers  
Robeson, Va.  
Saund  
Scott, Pa.  
Shelley  
Shuford  
Sieminski  
Steed  
Talle  
Taylor  
Thornberry  
Trimble  
Vursell  
Williams, N. Y.  
Wilson, Calif.  
Zablocki

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Halleck for, with Mr. Eberharter against.

Mr. Kirwan for, with Mr. Buckley against.  
Mr. Taylor for, with Mr. Shelley against.  
Mr. Rivers for, with Mr. Burdick against.  
Mr. Colmer for, with Mr. Anfuso against.  
Mr. Miller of New York for, with Mr. Powell against.

Mr. Barden for, with Mr. Radwan against.  
Mr. Thornberry for, with Mr. Blatnik against.

Mr. Pilcher for, with Mr. Sieminski against.

Until further notice:

Mr. Brooks of Louisiana with Mr. Kilburn.  
Mr. Zablocki with Mr. Wilson of California.  
Mr. Trimble with Mr. Talle.  
Mr. Hays of Arkansas with Mr. Scott of Pennsylvania.

Mr. Steed with Mr. Rhodes of Arizona.  
Mr. Morrison with Mr. Brownson.  
Mr. Dies with Mr. Mason.  
Mr. Christopher with Mr. Dooley.  
Mr. Bass of Tennessee with Mr. Frelinghuysen.

Mr. Jones of Missouri with Mr. H. Carl Andersen.

Mr. Morris with Mr. Dague.  
Mr. Rains with Mr. Kearns.  
Mr. Montoya with Mr. Haskell.  
Mr. Gray with Mr. Vursell.  
Mr. Edmondson with Mr. Griffin.  
Mr. Saund with Mr. Kearney.  
Mr. Robeson of Virginia with Mr. Jenkins.  
Mr. Shuford with Mr. Williams of New York.

Mr. BOLAND changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

## REREFERENCE OF S. 1985

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the bill S. 1985 be rereferred to the Committee on Public Works, it having been erroneously referred to the Committee on Interior and Insular Affairs.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

## PERSONAL STATEMENT

Mr. BASS of New Hampshire. Mr. Speaker, on rollcalls Nos. 109, 111, and 112, I was unavoidably absent. Had I been present I would have voted "yea" in all three instances.

## MUTUAL SECURITY APPROPRIATION BILL, 1959

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. MARTIN. Mr. Speaker, if the gentleman will yield, may I ask how much time remains for general debate?

The SPEAKER. The gentleman from New York [Mr. TABER] has used all his time. The gentleman from Louisiana [Mr. PASSMAN] has an hour remaining.

Mr. MARTIN. I thank the Chair.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 13192, with Mr. MILLS in the chair.

The CHAIRMAN. When the committee rose on yesterday, the gentleman from Louisiana [Mr. PASSMAN] had 1 hour remaining. All the time of the gentleman from New York [Mr. TABER] had expired. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, yesterday was the first day of fiscal 1959 and the paper carried a very alarming news story, and I quote:

More and bigger deficit spending looms ahead for fiscal 1959, bringing with it new inflationary pressure and damaging the prospect for any tax relief next year or soon thereafter.

In a few days the administration will ask Congress to boost the Federal debt ceiling for the second time this session. Some officials indicated a new temporary ceiling of \$290 billion may be sought. The earlier \$5 billion boost brought it to \$280 billion.

The widening gap between income and outgo in the next fiscal year—now estimated by high officials at around \$11 billion, or possibly even \$12 billion—makes substantial new Treasury borrowings inevitable, after high administration officials estimated that a deficit of \$2½ to \$3 billion will have been rolled up for fiscal 1958 when all the paid bills are counted.

There are 40,561 people engaged in the operation of the mutual security program. The program is operated at the level of approximately \$3.6 billion a year, which means there is an employee for each \$90,000 spent. Witnesses told our committee that this program would continue for at least 10 or 15 years.

We are giving military aid to 11 countries; economic and military aid combined to 30 countries; economic aid only to 22 countries. In addition there are 10 territories which are receiving economic aid. There are 86 nations in the world. We are giving aid to one kind or another to 73 countries and territories. There are 72 nations in the world that owe public debts. The total amount of all these public debts as of a recent date was \$236,490,000,000. As of the same recent date, the public debt of the United States was \$274,900,000,000.

The latest available figures of the national income of the countries of the world show that the total national income of 74 countries is \$515,730,000,000. As of the same date, the national income of the United States was \$358,500,000,000.

We seem to have some sort of an idea in this country that when any problem arises, the way to answer it is to appropriate money and hire a lot of people to travel throughout the world.

There is such a thing as, Can you afford a given program?

I am dubious of the longrange benefits of this worldwide program. I have opposed foreign aid bills and appropriations since 1950 partially because of their effect on our national economy; and it frightens me to think about what the repercussions will be in foreign countries when, through dire necessity, we are forced to discontinue such worldwide spending. I believe these programs will eventually wreck the economy of our country—we may never find a stopping place.

You will note that the amount allocated for the separate countries of the world is classified. The reason why given amounts to given countries is classified, according to testimony before our committee, is the fact that countries are jealous of each other about the amount of aid received. If X country gets more than Y country, then Y country is jealous.

During the past generations, the United States has given to foreign nations in grants, aids, subsidies, loans, gifts, and repudiated loans in excess of \$125 billion. Even though the recipients in foreign lands of this stupendous amount of money have already spent it, let us ever be mindful that the taxpayers of this Nation still owe this debt which must be paid by generations yet unborn.

In my considered judgment we are spreading ourselves too thin. We are



attempting to buy friendship and loyalty. If we continue dissipating the wealth of this country, then we may wind up in a worse condition than a great majority of those that we are now helping. If our present rate of grants and gifts continues for too long, there will not be enough ready money available to build a rowboat, let alone a flat-top. It frightens me to think that we have gone so far afield with this worldwide program of trying to buy friends and loyalty.

It has been stated that Russia's Lenin once said, "Just give the United States time and she will spend herself into destruction." I wonder if our arch enemy Khrushchev is thinking the same thing and maybe cooperating in bringing this about?

I want to ask the distinguished chairman of our subcommittee if he has heard from the President of the United States with reference to the program this year as to the amount in the bill.

Mr. PASSMAN. May I state to the distinguished gentleman from Alabama that I have not heard from our President this year, but I did hear from him last year.

I might state also for the purpose of informing the committee that every year since I have been chairman of the subcommittee, just before it is time to report the bill to the floor of the House, our distinguished President issues a statement to the effect that if we do not reinstate the cuts recommended we will wreck the program.

Last year in August, if I remember correctly, just before the bill reached the floor, the President called a meeting at the White House and invited me to attend. Many distinguished Members of the two bodies of the Congress attended the meeting. After they had spoken, it was finally suggested that I make a statement. Believing that our distinguished President would appreciate my sincere opinion, I spoke in a plain manner, just as I would speak to any other American. I indicated to him that his own people had either intentionally or unintentionally, evidently given him erroneous figures and other misinformation. I pointed out that in the military assistance phase of the program alone, \$538,800,000 which the Congress had appropriated for this item had lapsed. The President was obviously amazed to learn this fact and others, as I repeated the figures on item after item, that were verified, then and there, by one of the President's aides.

Then I assured the President that not a member of our subcommittee, including the distinguished former chairman, the gentleman from Virginia, Mr. VAUGHAN GARY, who had supported the foreign aid program from its inception, would deprive him of the funds necessary to carry out the foreign aid program. To my amazement, the President said that he could not ask for more.

This statement could be verified by our beloved former Speaker; our distinguished colleague from New York, Mr. TABER; our distinguished chairman, Mr. CANNON; our beloved Speaker, and by several of those from the other body.

I can, and do, assure the Members that I am just doing my part in trying to prevent the Congress from abdicating its duties in favor of the Executive, and ignoring the recommendations of a clear majority of a 50-member Appropriations Committee, many members of which have studied this particular program for many years, long before our President ever gave any thought to becoming our Chief Executive.

To ignore the findings and the recommendations of a majority of these Members in this particular case, in my opinion, could be interpreted only as an acceptance of the proposition that the House was willing to abdicate and let the Executive dictate to the Congress.

May I say again that the President was amazed to learn that he had been given such erroneous figures.

Last year, when we went to the White House, the committee had recommended only \$2,524,760,000. That is all. This year your committee is recommending in new appropriations a total of \$3,078,072,000, which will make available in funds for expenditure, with the carry-overs, a total of \$8,278,080,500.

If the President fails to issue a statement this year about these cuts, it will be the first time he has not done so since I have been chairman of the committee.

Mr. ANDREWS. I thank the gentleman, and I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. PASSMAN. Mr. Chairman, I yield 13 minutes to the gentleman from North Carolina [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I regret that it is necessary today for me to take issue with the majority of the members of my committee on the merits of the bill we have before us.

As a member of the Subcommittee on Foreign Operations of the House Appropriations Committee I have listened with an open mind to many hours of testimony from those who are for and to those who are opposed to our foreign-aid program. The members of my subcommittee have worked diligently to bring out a bill that would reflect their best judgment on the momentous question before us today.

Mr. Chairman, I can think of no other field more difficult in which to legislate than the area of financial assistance to foreign nations. I would like to take this opportunity to commend the distinguished chairman of our subcommittee on the outstanding manner in which he has conducted hearings on the bill we have under consideration. He has made every effort to develop the facts with respect to our far-flung economic aid operations. It has been his purpose and the aim of our subcommittee to bring out a bill that would best serve the interests of the United States during this critical period in the history of the world.

Mr. Chairman, I would like to state that I am not an isolationist. I realize that it is impossible for the United States to wall itself off from the rest of the world. For all practical purposes the age of isolationism ended for the United States

when the first American soldier landed in France in 1917. From that time forward, for better or for worse, this country became an integral part of the world community.

There is no way, Mr. Chairman, whereby our Nation can escape its destiny. Like it or not, the problems of the world concern us and tend to shape the course of our history.

I am not unmindful, however, of the tragic situation existing in the world. I am aware of the danger threatening the Free World and our cherished institutions. No one has a more sincere desire than I have to see the spread of Russian imperialism halted.

Mr. Chairman, the Free World is making a heroic stand against communism. I am not ungrateful for the part our non-Communist friends are playing to save the world from the tyranny of Russian enslavement. I realize the great economic problems confronting our allies and the neutral nations associated with us during this critical period.

I do not believe, however, that the way to overcome communism is by indiscriminate spending of American dollars. I cannot subscribe to the philosophy so widely held in this country that the solution to every problem, foreign, and domestic, is a raid on the United States Treasury.

International friendship does not have a price tag. The security of the United States and the Free World must never rest upon our ability to buy friends. Such a doctrine is dangerous and will lead this Nation to economic destruction and ultimately to a loss of our liberty.

Mr. Chairman, the American people were led in the beginning to believe that foreign economic aid would be a temporary policy of our Government. However, year after year they have observed this Nation appropriate ever increasing sums of money without any visible improvement in world conditions. They have watched the relentless march of Russian communism from country to country and have seen American prestige suffer in all parts of the world.

Mr. Chairman, the American people have observed the foreign policy of the United States degenerate into a worldwide WPA sustained by their tax money. They have seen their proud Nation intimidated and in some instances blackmailed in the name of a foreign policy based on a feeble attempt to buy international friendship.

The history of the world does not record an instance of any nation that has been as generous with its resources as has been the United States. Likewise the history of the world does not reveal a country that has squandered so much of its wealth and secured so little in return.

The United States has been a generous benefactor to the world. It is hard for us to comprehend the tremendous sums of money we have spent overseas. The amounts involved stagger the imagination.

From July 1, 1940, to June 30, 1945, this country expended over \$49,223,859,000. This was during the Second World War and it cannot be denied that the

defense and security of the United States was not benefited by this spending. Likewise, no one can deny that vast amounts of this money was spent to defend and give economic support to countries now behind the Iron Curtain and dedicated to the destruction of the United States.

Mr. Chairman, in 1945 the United States embarked on our present reckless course of foreign-aid spending. During the past 12 years we have operated without a sense of financial responsibility in international relations. The result has been a tremendous increase in the national debt of the United States and a dangerous increase in inflationary pressures here at home and abroad.

Since July 1, 1945, through June 30, 1957, we have disbursed overseas the staggering sum of \$68,517,296,000, in addition to the billions previously appropriated. My friends, \$60 billion represents more than twice the investment we have in all of the class I railroads in the United States. Class I railroads represent 96 percent of all our railroads and have a total investment of approximately \$30,124,000,000. We provided last year \$3.6 billion in foreign-aid funds for fiscal year 1958.

The bill we have before us will appropriate an additional \$3,078,092,500 in foreign-aid funds.

Mr. Chairman, it is hard for the average person to conceive of the tremendous sums of money we are appropriating for our economic-aid programs. The amounts involved are so great that they are not easily comprehended.

Let us make a few comparisons and by so doing it might be possible for us to realize the magnitude of the appropriation we have under consideration.

Do you know that the \$3 billion we have in this bill is nearly one-half assessed valuation of all real and personal property in North Carolina? The assessed valuation of North Carolina was \$6,479,213,000 in 1956. Do you realize that the \$3 billion in this measure is nearly one-third of the assessed valuation of the city of Chicago? Chicago had an assessed valuation of \$9,433,977,134 in 1956.

The \$3 billion contained in this bill is nearly one-seventh of the assessed valuation of New York City.

Irrespective of the amount if I thought it was being spent wisely and was accomplishing the purpose for which it was intended, then I could feel better about the program.

The American people have a right to know where this money has been spent and what it has accomplished. At a time when we are calling on our people to carry the heaviest burden of taxation in our history, the Congress has a solemn responsibility to justify foreign-aid expenditures. With the public debt in excess of \$275 billion and in the face of warnings by responsible leaders of this House that our National debt must be raised another \$5 billion or more by next year we should pause today and give serious consideration to the economic security of the United States.

It is no secret that the National debt of this country exceeds the combined na-

tional debts of the countries we are attempting to help with our dollars. The 72 principal nations of the world have a combined national debt of \$236,490,000,000 which is approximately \$38.5 billion less than the present public debt of this country.

Mr. Chairman, our foreign-aid spending has been geared through the years to international political expediency. Wherever there has been a problem we could not solve through sound diplomacy we have attempted to buy our way out of our difficulty.

We have failed in this respect and our present ineffective foreign policy is evidence of our failure. In spite of the billions of dollars we have scattered over the world we are without friends overseas and many areas present problems that may explode in armed conflict at any time. A glance at what is taking place in Lebanon and North Africa should be enough to convince us that our dollar diplomacy is not succeeding in those areas.

Our foreign-aid programs have been marked by mismanagement and a failure on our part to understand the social and economic conditions of the countries we have attempted to help.

The Committee on Government Operations, through its Subcommittee on International Operations has made a very fine study of our foreign-aid construction projects.

These projects are in progress all over the world and our dollars are being used to construct bridges, highways, port facilities, housing projects, hydroelectric dams, and countless other internal improvements in foreign countries.

Every Member of this House should study the excellent report issued by the committee. It points up some of the evils inherent in our attempt to solve the world's problems by spending money. Money, I might add, that we do not have in our Treasury, but must borrow from the American people.

The Committee on Government Operations found that the administration of major construction projects by the International Cooperation Administration has been inadequate, indifferent, and incompetent. The committee advises that ICA has let nearly \$1 billion in contracts without clearly formulating standards for their award and administration.

This is just one example of the waste and mismanagement that is characteristic of our foreign aid operations.

Mr. Chairman, not many of us are aware of the huge sums of money given the Communist bloc of countries since World War II. It is shocking to realize that we have given Albania, Czechoslovakia, East Germany, Hungary, Poland, Yugoslavia, and the Soviet Union \$2,252,112,000 in grants and credit since the Second World War. Outright grants or gifts to these nations total \$1,850,497,000 and loans to be repaid amount to \$401,615,000.

Of course none of us are naive enough to believe that all of these loans ever will be repaid.

We must face the harsh fact, however, that our millions have gone to strengthen the economy of these coun-

tries. Today they stand opposed to everything we believe in and dedicated to our ultimate destruction.

Mr. Chairman, the \$836 million we have extended to Russia is three times the amount of money we spent to fight the Spanish American War. And I might add that the \$687,920,000 we have given to Communist Yugoslavia is nearly double the amount expended by the United States in the construction of the Panama Canal. That great aid to the commerce of the world cost this country \$380 million.

It is almost unbelievable that the gross foreign aid disbursed and still available for the period July 1, 1940, to June 30, 1958, is almost one-half of all the taxes collected during the first 156 years of the history of our country, January 1, 1792, to January 1, 1948.

Mr. Chairman, I have used comparisons and illustrations throughout this discussion to impress upon my colleagues in this House the size of our foreign aid donations. It is my considered opinion that we have dealt with billions so long that we have lost sight of sound economic principles.

Mr. Chairman, our dollars have been spent all over the world to build plants and factories to compete with basic American industries. Today many Americans are unemployed by reasons of foreign imports manufactured in plants constructed with our foreign aid dollars.

Our textile industry presents a graphic example of an industry fighting for its very existence in the face of foreign competition. Under our foreign aid program millions of dollars have been spent to reconstruct the Japanese textile economy. We have purchased new machinery for their plants and we have made it possible for Japanese mills to buy American cotton cheaper than our own mills.

The result has been widespread unemployment in the American textile industry.

This threat has a very real meaning for the people of the great Congressional District I am privileged to represent in the Congress. The Ninth Congressional District of North Carolina is one of the largest textile manufacturing areas in the United States. Thousands of the people I represent depend for their livelihood on textile employment.

I cannot, therefore, support a program that will take tax dollars of the people I represent and construct plants in foreign countries that will deprive my people of their jobs.

Mr. Chairman, I believe the contents of a recent letter from Mr. Nathaniel Raifer of the International Cooperation Administration, Department of State, to the American Cotton Manufacturers Institute, will illustrate what the American textile industry can expect from foreign aid spending. Mr. Raifer states, and I quote:

Confirming my comments of this morning, I wish to reiterate that ICA is prepared to render many forms of assistance to any one or more of your members who may be interested in establishing textile plants in Indonesia. If any one of them are interested in



such an investment we believe it would be preferable for the investment to be in the form of a joint venture with Indonesians so far as the equity is concerned.

ICA would be prepared to make loans from its New Development Loan Fund. We would also be prepared to insure such investments against the political risks of expropriation, inconvertibility of currency, and war damage. Furthermore, we could furnish technical assistance by financing on-the-job training in Indonesia or training here in America for Indonesians in technical and managerial skills.

We might also be able to finance the installation of public facilities such as power, transportation, etc., if not otherwise available near desirable plant sites. These and other possible means of ICA assistance could be discussed in detail with any of your members who may be interested.

Mr. Rafier offers to Indonesians what no American could hope to secure in this country. Is it any wonder that the American textile industry is fighting for survival?

Mr. Chairman, the time has arrived when we should abandon our International WPA programs and adopt a system of assistance geared to the economic, social, and political realities of the present critical period in the history of the world. It does not make sense for the United States to continue to support governments unfriendly to our efforts in behalf of the Free World.

India is a prime example of a nation in this category. Under Nehru's socialistic leadership India has consistently opposed in the United Nations the efforts of the United States to lessen world tension. In spite of our efforts to isolate Red China from Free World trade India has entered into trade relations with the Chinese Communists. She has negotiated an economic loan with Soviet Russia for internal improvements amounting to approximately \$126 million. In addition, India has accepted financial assistance from Communist Rumania.

The United States on the other hand has extended to India over \$272,500,000 in outright gifts and other forms of assistance. Instead of winning India to the cause of the Free World, however, we have put new life into her socialistic economy.

Our efforts to assist Indonesia have met with stiff competition from the Soviet Union and the Communist bloc of countries. These countries have extended over \$110 million to the Indonesian Republic. The American taxpayer has contributed over \$128 million to Indonesia. Today the country is torn with civil strife and leaning heavily toward communism. The administration did not request any assistance for Indonesia this year. Even Secretary Dulles had to admit before the Appropriations Committee that the situation in Indonesia is somewhat "obscure."

Mr. Chairman, I submit that the situation is obscure, as Secretary Dulles calls it, in more countries than the Indonesian Republic. It is my considered opinion that the best interest of the United States has been obscured through our frantic efforts to win nations to the cause of freedom by way of the United States Treasury.

Money alone will not create international stability. Unless a nation has the will to survive no amount of American aid will guarantee its freedom. We need only to look at the tragic situation prevailing in France to realize that it takes something more than financial assistance for a nation to have peace and internal stability. Although she is one of the richest and most prosperous nations in Europe and has been the recipient of approximately 9 billion dollars in American aid since World War II, France is torn with civil and political strife and is dissipating her resources in a fruitless struggle in North Africa.

France will master her destiny when the French people develop a will to face the realities of life. No amount of American aid will help her cause. The same can be said for many other nations. We have encouraged inflation in many countries by our flood of American dollars. By giving more to one country than to another we have created rivalry and jealousy among our friends. Through an attempt to mold everything to our pattern we have upset the existing order in many nations; created tension and strife and made enemies instead of friends.

Our dollars have gone to support unpopular regimes abroad and in several instances to support dictatorships.

Mr. Chairman, we must have a reappraisal of our foreign aid policy. We cannot keep up our present program of appropriating huge sums of money year after year without seriously damaging the economic stability of the United States. I do not believe it is necessary for me to emphasize that. It is essential for the survival of the Free World for this country to remain strong and economically sound.

Our Communist enemies have predicted that we will spend ourselves to destruction. Let us not fulfill this prediction for them. Let us put some sense into our dollar spending.

Mr. PASSMAN. Mr. Chairman, I yield the remainder of the time to the distinguished former chairman of the subcommittee, the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, a few years ago I was requested to deliver a Community Chest speech. I forgot all about it until just about an hour or so before the time for the delivery. I called my secretary into the office frantically and said, "Will you please look back in the files and see if you can find the outline of the speech I made last year?" In a few minutes she came back and said, "Mr. GARY, I don't think you made any outline last year; I think you just talked out of your head." Now, I am not going to talk out of my head today, but I am going to talk to you for a few minutes out of my heart.

Mr. Chairman, I have had the matter of foreign aid on my heart for many years. I had the privilege of serving as the first chairman of the special committee set up to handle this program. I was very glad to pass those duties on to my distinguished friend from Louisiana a few years later when they made a permanent committee out of it, and I had to

make a selection between this committee and another committee, and I selected the chairmanship of the Committee on Post Office and Civil Service. But, I remained on the committee so that I have been a member of this committee since its inception.

Let me say that throughout the years this has been a highly controversial bill. It is highly controversial today. But, it is not a partisan bill. The controversy is not partisan. This program was inaugurated under a Democratic administration. It has been continued under a Republican administration. Nor are the differences of opinion partisan differences. They cross party lines. There are many people who think this program is absolutely useless, and among that number are both Republicans and Democrats. There are many who think we should spend many more billions of dollars on the program than we do.

Just let me read you an extract from the Washington Post of June 24th:

Eric A. Johnston, President Eisenhower's Middle East troubleshooter, called on the United States tonight to seize the cold-war initiative with a 5-year \$10 billion program of the TVA-type economic development projects in the Mid-East, Asia, Africa, and Latin America.

It so happens that Mr. Eric Johnston is a Republican. But, I remember when Mr. Chester Bowles was our Ambassador to India, he called for an expenditure of a billion dollars for India alone. And Mr. Bowles is a Democrat. So this is not a partisan political question.

I, for one, have been a champion of this program from the very beginning. I think it is a vital and an essential part of our national defense. I do not look upon it as a giveaway program in any sense of the word.

Every military expert whom I have ever heard testify has said that it is absolutely essential to the defense of this country for us to retain the periphery islands beginning with the Aleutians, Japan, Korea, Okinawa, Formosa, and the Philippines. It is essential to our own national defense because we have bases on those islands and if we ever have a military emergency we must have bases from which to attack the enemy. On the other hand, if the enemy seizes those islands they can use those bases with equal effectiveness to attack the mainland of the United States.

It is much cheaper and better in every respect for the Koreans to defend Korea than it is for us to have to send our own armies to Korea to defend it. It is better and cheaper for the Nationalist Chinese Army to defend Formosa than it is for us to send our forces there to defend it. And yet we know that neither the Korean Army nor the Nationalist Chinese Army can function effectively without our help. Without the aid of this country they would be absolutely impotent and would be unable to maintain those islands.

Moreover, the strongest position that this country has today from a military standpoint—and certainly I do not attempt to speak as a military expert; I am merely quoting what military experts have said—our strongest defense today

against communism is that we have a ring of bases completely surrounding the Soviet Union. Some of those bases are in Europe and Africa. Do you realize that at every conference that we have had with Russia in recent years to try to get them to agree to anything, the first thing they have said is, "We will agree if you withdraw your forces, your troops." Those bases are absolutely essential to our defense. We might have all of the atomic bombs or hydrogen bombs or any other kind of bombs in the world, but if we cannot drop them on the enemy they are no good to us. If any of them are exploded in this country they will do us more harm than they will the enemy.

So I realize that for the sake of maintaining our military bases we must have certain foreign aid in order to help support the countries in which those bases are located. Although that is true, there is another point on which people differ. There are those who believe that we should drastically cut the military aid and give more aid to the economic development of those countries.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Idaho.

Mr. BUDGE. There is one thing about the foreign-aid appropriations that has always puzzled me. I have checked the unexpended balances in this program each year since I have been a Member of the Congress. Each year I find that there is enough money in the program unexpended to operate it all the way from 18 up to as high as 26 months. I think this year's balance would operate the program at full speed for a period of approximately 19 months without any money's being appropriated.

For all of our domestic programs here in the United States, for the operation, for example, of our veterans' hospitals, for the construction of our own flood-control and irrigation projects, for the building of our roads, we appropriate on a 12-month basis. From the gentleman's broad experience in this field, has he ever heard a good explanation as to why for the foreign countries we should appropriate some 3 years in advance when in our own country for the same purpose we appropriate for only 1 year?

Mr. GARY. I think the answer to that is very simple. We do have large unexpended balances in our military program, and a large part of this money is military. We all know that in order to get the necessary military equipment, the necessary military installations, you do have to plan ahead. The Congress makes the appropriation but it takes time to advance a project to the point that expenditures are required.

Mr. BUDGE. That would be true as to the military portions, I assume, but as to the nonmilitary items such as the ones I have mentioned in connection with foreign countries, the building of roads and the building of dams, why should we appropriate funds 3 years in advance to be used in foreign countries when we appropriate only 1 year in

advance for the same purposes in our own country?

Mr. GARY. Frankly, that is one of the reasons this bill has been cut, because we think in some of these programs we are appropriating too far in advance.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Minnesota.

Mr. JUDD. May I give these facts for the gentleman from Idaho: The Department of Agriculture has an unexpended balance of \$4.5 billion as of June 30, and all the other agencies of our Government, excluding the Defense Department, the Agriculture Department, and mutual security, have \$27.2 billion in unexpended balances. So this same process does apply on a vast scale not only in connection with our defense and of others.

Mr. GARY. It does in some of the departments. Since the supplies, materials, and equipment have to be sent overseas, I think there is justification for a pipeline. I for one would not want to destroy that pipeline. But I think there is such a thing as extending it too far.

Mr. JUDD. The total of unexpended balances is more than \$60 million for all Government agencies, excluding MSA. Thirty-one billion dollars of it is in the Defense Department.

Mr. BUDGE. With respect to these appropriations for the military, I think it is interesting to remember that the Constitution of the United States, a document which each of us has sworn to uphold, specifically provides this among the powers of the Congress of the United States:

To raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years.

We are violating that in our appropriations for our own military. We have for some time. I have heard this pipeline argument on all of these expenditures such as I have here enumerated. My guess is that a quadruple amputee in a veterans' hospital in this country would kind of like to feel that he had a 3-year pipeline. Most of the domestic funds to which the gentleman from Minnesota has referred are revolving funds which are not covered by individual appropriation bills, which is entirely different from the situation which confronts the House today. My point is simply this. Even if we admit the entire foreign-aid program is good, we should certainly not favor the people in the other countries over the people of this country by appropriating for a lead period three times as long as the appropriations for people in our own country. I thank the gentleman for yielding.

Mr. GARY. I thank the gentleman. He is making my speech for me, and I think he is doing it very much better than I could have done it myself. But, that is the point I was going to bring out. I recognize the necessity for the program. I have called attention to the controversial questions involved. There are those who believe that we should not give anything to the military but that

we should help on the economic side. There are those who say we should not give anything for economic development, but that we should build up the military. It is my belief that the economic appropriations we make do contribute to the military strength of the countries to which this economic aid goes.

Personally, I do not subscribe to the view that it is a giveaway program. I think the United States is buying security with this program. I look upon this program as a mutual-security program rather than a foreign-aid program.

But, let me say to you that a very great amount of waste and inefficiency has crept into the program. I think some of that waste and inefficiency is unavoidable. I want to be perfectly fair about it. I know it is difficult at this time to get technicians. When you try to give technical aid to foreign countries you have to have technicians who want to go to those countries to work with the program. Any man who is a good technician can get a job in this country without any difficulty at all. Certainly, a man who is well employed in this country would hesitate to give up his job and take his family off to the far corners of the earth where they would not have the advantages that they have here, for the salaries we pay in this program. So what happens? We get two classes of technicians. We get the dedicated person who, like the preacher or the teacher, is not looking for financial gain, but who is trying to better the conditions of the world in which he lives. I have the greatest admiration and respect for that type of individual. God knows we would be in a bad fix if we did not have such people in the world. We do have a great many of them. Some of them have given up very profitable employment in this country and have gone into these foreign fields for the good that they think they can accomplish. But, the other group you get are the technicians who cannot make a living in this country for one reason or another. When you get dedicated men in this program in a particular country, you usually get a good program, but when you get the castoffs from our own industry here, then yet have a bad program. Under these circumstances some inefficiency and waste is unavoidable.

Mr. Chairman, this committee has been exceptionally fortunate because I want to say to you I have never seen a chairman as dedicated to his task as the chairman of our subcommittee. I have never seen a man who has labored as hard to arrive at the facts. He has brought out a great many of the defects of this program. I have never seen a chairman who has conducted a better set of hearings than he has conducted on this bill. We sat for 8 weeks, day after day, laboring throughout the day in an effort to learn about this program. I say to you, no chairman has ever brought a bill to the floor of this House who knew more about the details of it and knew more about the agencies which it covered than the chairman of our subcommittee, the gentleman from Louisiana [Mr. PASSMAN]. He has done a magnificent job and the entire Nation



is indebted to him. He has tried to point out to this body where the defects are.

We need this program, and yet when we consider the national defense there is one thing that we cannot overlook, and that is the fiscal strength of our Nation. No bankrupt nation can defend itself, and if we are going to be militarily strong we must be fiscally strong.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to inquire of the distinguished gentleman if he thinks the Congress can justify authorizing appropriations from 3 to 5 years in advance to build school buildings abroad and still deny approving a single dollar for our outmoded school system.

Mr. GARY. That is a matter that Members will have to decide.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CHELF. The gentleman is making a very interesting and informative argument, as always. The gentleman came here to the House about the same time that I did and we have long been supporters of this program. I supported it every year except last year, when I felt in my heart I had to vote a protest "no." This was done because the other body increased the House's figure by approximately \$200 million.

Let me ask the gentleman: It has been stated in the papers this morning and yesterday that there are those in the executive branch of the Government who say that if this \$600 million is cut America is going to be in real bad shape; that it will endanger our security. Does the gentleman feel that way about it?

Mr. GARY. I certainly do not. And if I felt that way about it I would not be standing here making this argument at this time.

Let me say this: I have been in both branches of Government. I served at one time in the administrative branch of my State government. I have always said that I do not criticize the head of a department who thinks he needs a lot of money for his department. In my opinion any man who is head of a department of the Government who does not feel that it is the most important department of the Government, does not feel that he can do a better job if they give him more money, ought to be fired, because he is a man who is just sitting and coasting. He is not an aggressive type. But they make their requests to the legislative branch, and that is the reason we have a legislative branch. It is our duty to take the money we have and disburse it among the departments so that it will do the most good. I have never seen a man in the administrative branch of the Government who did not have an exaggerated idea of the needs of his department. I do not criticize him for it. I praise him for it. But when it comes to us, we must be realistic.

Mr. CHELF. I know the gentleman's thinking is clear, sound, and logical. I

know and the House knows that it is sincere.

Mr. GARY. I thank the gentleman.

Mr. CHELF. If I may proceed further, the thing that concerns me about this particular bill today and the appropriation therefor is the fact that when we stop to consider it—there are 83 countries in the world that have some form of government, and of that number 73 either directly or indirectly are dependent on us—the United States of America, for sustenance and support. If we are going to be the good fellow, the good samaritan, and are going to help all our friends and neighbors on the block by inviting them into our house to the exclusion of our own family, we will wind up with our home filled with the neighbors and our own family out in the cold in the back yard.

Mr. GARY. They may eat us out of house and home.

Mr. CHELF. The time I think has come when all Europe and many other countries of the world plead that they are broke; they know it; they admit it; they are constantly asking for help. The United States of America is broke—does not know it; cannot therefore admit it—and we are spending money like a Bowery bum in his drunken dreams. We simply cannot continue to support the entire world under the cry of emergency. I am for these cuts. If they are supported by this committee I shall vote for the appropriation—otherwise—I shall not.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I gladly yield to my distinguished colleague who is a member of our subcommittee.

Mr. DENTON. The gentleman and I have served together 4 years on this committee and have been through these experiences with budget requests and authorizations. The request comes to the legislative committee and it makes an authorization. If it is below the budget request then the cry goes up that the security credit of the United States is in danger. Then it goes before the Committee on Appropriations and if there is any cut predictions of dire consequences are made. Then it goes to the Senate and probably the other body restores at least part of the funds and a compromise is made in consequence, but the following year we find they have not spent all the money that is appropriated. Does it not seem like a case of "Here we go again"?

Mr. GARY. Yes. I hold in my hands here a number of cards on which are written the statements of high government officials as to the dire consequences that would follow if the cuts we recommended in 1956 for fiscal 1957 were allowed to stand; yet at the end of 1957 there was a balance of \$560 million—odd which they could not even obligate.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. PASSMAN. Does the gentleman think that with a new appropriation and the unexpended balances there are sufficient funds in this bill to carry out the program adequately?

Mr. GARY. I most assuredly do and I am going to cover that in just a minute. My time is almost up, but I just want to call attention briefly to this fiscal situation.

We have a Federal debt of \$275 billion. Do not ask me to tell you how much that is, because I do not think the mind of man can conceive that amount of money; but let me say this to you, I well remember before World War II when our debt was about \$30 billion there was an argument among the economists as to how much debt this country could stand. Some bold economist said we could stand a debt of \$50 billion. All the rest jumped on him and said that a debt of \$50 billion would ruin this country.

Then the war broke out and we could not bother about the public debt; we began to make larger and larger expenditures, because we had to win the war.

Today instead of a \$50 billion debt, it is \$275 billion. Are we reducing it? Oh, no. The estimate is that at the end of the fiscal year, which ended yesterday, we had a deficit of at least \$3 billion; and the estimated deficit for this fiscal year is between \$10 billion and \$12 billion.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. ANDREWS. The gentleman is familiar with the matter. I wish he would tell us what the interest on the public debt amounts to at the present time.

Mr. GARY. The interest on the Federal debt is estimated at \$7,869,000,000 for the fiscal year 1959. This is more than was required to run the entire Government some 25 years ago.

Mr. ANDREWS. Is it not correct that that is the second biggest item of expense this Nation has, interest on the public debt?

Mr. GARY. It is.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Kentucky.

Mr. CHELF. In other words, our debt compared with the debt of all of the rest of the world combined exceeds the latter by \$39 billion?

Mr. GARY. Yes.

Mr. CHELF. Which makes it appear to me that we are spending money that we do not have—on people that we do not know—trying to impress people that hate our insides—such as Russia and her satellites. We have spent or given away since 1940 over \$135 billion and we are still at it. How long can we keep this up without spending ourselves into bankruptcy? We owe \$275 billion, more than all the rest of the world added together and yet we keep it up. Isn't that what Stalin predicted that we would do? Spend ourselves out and then he could take over without firing a single shot?

Mr. GROSS. We have received a marching order from the White House. I do not believe the gentleman has seen it yet. It is stated in this message in the nature of marching orders:

Needed financial reserves have sunk below the safe minimum. In spite of this danger signal, the House Appropriations Committee

has taken action that seriously endangers our security.

This is taking reckless risks with our safety.

Does the gentleman agree with that statement?

Mr. GARY. I certainly do not agree with that and I wish that the President instead of telling the Congress what it should do on this program would tell the Cuban gangster rebels that if they do not return the American captives they are holding within 24 hours they will suffer dire consequences.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that the President has been issuing similar statements every year about the time this bill comes to the floor for consideration?

Mr. GARY. That is true.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. The gentleman was talking about the monumental size of the debt of \$270 billion and that he could not comprehend such an enormous figure. I merely want to call the gentleman's attention to the fact that a million dollars is a thousand thousand dollars and a billion dollars is a thousand million dollars. We owe \$275,000,000,000 that somebody by the sweat of their brow must produce the money to pay the taxes to pay the debt if it is ever paid. Even if we paid it at \$3 billion a year it would take 75 to 100 years to pay it off. So what a legacy we are leaving to the generations of Americans who follow.

Mr. GARY. I agree with the gentleman thoroughly.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. JOHANSEN. This same statement by the President states that the reductions contemplated by the committee will encourage Communist imperialists. I wonder if the gentleman would comment on that statement?

Mr. GARY. Well, I would like to have an elaboration of it. I would like to know how it would encourage them. I know of no way we can encourage communism by reducing to a realistic figure the amounts in this program. No one is more opposed to communism than I am and if I thought for a minute we were encouraging communism by making these cuts, I would be here asking that they be restored.

Mr. JOHANSEN. Does the gentleman feel it contributes to the Congress meeting its responsibility to be put in the position of contributing to the Communists because we undertake to do that very thing?

Mr. GARY. I do not think so.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Ohio.

Mr. BOW. On the question of communism, it seems to me the statement made yesterday by the gentleman from Ohio [Mr. VORYS], on the question of the Development Fund business, where they attempt to get textile mills to go to Indonesia, is significant. The gentleman from Ohio said that the United States had suffered.

Well, I will tell you what happened. We are no longer in Indonesia. Indonesia has accepted the Chinese Communist offer.

That is after the United States had already spent \$73 million in economic aid in Indonesia. The first time they do not get what they have asked for they turn to the Communists. I do not think the \$73 million that we spent in Indonesia has prevented us from having some Communist infiltration.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not almost unprecedented for a President to send a message such as this one to the floor of the House such a short time, in this case only about 5 minutes, before we begin reading the bill for amendment?

Mr. GARY. I have not seen the statement. I do not know what it is.

Mr. PASSMAN. The statement for all Members, from the President, just reached the floor of the House from the White House. Is that not almost a precedent?

Mr. GARY. So far as I know, it is.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I would just like to refresh the gentleman's memory. The President has sent up several messages which I have read to the House myself, so I know it is not a precedent.

Mr. GARY. It seems to me that I do recall that he sent one in 1956 and told us if we cut the program at that time, that we would wreck it. We cut it, and still they come back with a balance of five-hundred-and-sixty-some-odd-million dollars that they could not even obligate.

Now, just one final word. Let me say this. You would think from the arguments that we have had here on the floor that we have cut out this entire program. Nobody has stressed the appropriations that we are recommending. Do you know how much this bill carries? It carries new money—now this is entirely new funds—in the amount of \$3,078,092,500, and there is in the pipeline \$5,199,992,000, which makes a total of \$8,278,084,500 available for expenditure during the fiscal year 1959.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired. The Clerk will read the bill for amendment.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. The rules of the House, as I understand, require that the bill be read word for word.

The CHAIRMAN. The gentleman is correct.

Mr. TABER. I ask that the Clerk be instructed to do so.

The CHAIRMAN. The Clerk will read the bill in accordance with the rules of the House.

The Clerk read as follows:

*Be it enacted, etc.,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1959, namely.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the debate this year on this bill there has been more emphasis than in any previous year on the serious fiscal condition of the United States, the size of our national debt, the dangers to the stability of our currency, the possibility, even probability, that if our expenditures and our debt continue to increase it will lead, as the gentleman from Louisiana said yesterday, to an eventual repudiation of our debt or of our grandchildren being required to pay our bills for us. Nobody agrees with that concern more than I do, and those of us who are supporting a larger appropriation for this program.

The implication is generally given that if we will just cut down these expenditures for mutual security we can cut down our total Government expenditures accordingly. This is the point where many of us find ourselves in disagreement with very good friends like the gentleman from Louisiana [Mr. PASSMAN], and the gentleman from Virginia [Mr. GARY]. Is the implication justified? Is it a fact that if we cut these expenditures below the point where they would achieve the objectives that the gentleman from Virginia has just so eloquently and so convincingly presented, it will permit a decrease in the total expenditures of the Federal Government and, therefore, a decrease in our national debt and a bettering of our fiscal situation?

I do not believe so. In fact, I am sure that to cut this program too severely will produce the opposite result. It will require us to increase our total defense expenditures, increase our national debt, and increase the danger of the very thing they have been holding up before us as the fearful specter that it is.

Because, what is the alternative to this program and would that alternative be cheaper?

When it is said that to continue spending so much may lead to these dire consequences, that is true; nobody denies it. But the big question is, Will we avoid those consequences by retaining these cuts in mutual security? Will it permit us to spend less in the end? Will we reduce our total expenditures by cutting these funds as deeply as the Committee on Appropriations has cut them in the bill that is before us? Many of us do not think so. On the contrary, we think that these cuts are too deep and that they will not save us money in the end. If these countries that we are helping are weakened so that they cannot defend themselves against Communist pressures from without and from within, or if they lose heart and their will to do their best



to defend themselves, then we will have to spend so much more for our own Defense Establishment that the supposed savings made by the cuts in this bill will prove insignificant indeed.

So, Mr. Chairman, when we support larger appropriations for certain portions of this program, it is not because we are indifferent to the fiscal problems of the United States Government; it is not because we are willing to be reckless and careless with the people's money and our Nation's economic strength; rather, it is just because we are deeply concerned about the fiscal solvency of our country, it is because we want to prevent repudiation of our national debt and depreciation of our currency and leaving our older people who are on fixed incomes inadequately provided for because their dollars have been so cheapened. It is precisely because we want our economy to be strong and to be sound and to get ourselves into a position where we can cut down these awful expenditures for our own defense, that we do not want to cut the appropriations for this program to a degree that we fear may endanger our security and endanger our fiscal solvency. We think that would be playing fast and loose with the Nation's safety and welfare.

We believe this program offers the way to get most security for the least cost—and therefore we urge full appropriations—not in disregard of the danger signals, but because of them.

If we appropriate more than is needed, what damage is done? The gentleman from Louisiana, the chairman of the subcommittee, dwelt at length yesterday on the fact that the agency came back 2 years ago with \$538 million that it had not obligated at the end of the year. He was greatly disturbed by that. I was greatly pleased by it. I thought that it showed that we were entitled to have more confidence, not less, in those who are managing this program.

Is it not better to have more money available to the President for this purpose, in case it should prove necessary? If it is not needed, they do not spend it, by the gentleman's own statement. What injury was done to the United States by appropriating more funds in fiscal 1956 than events proved necessary? The funds were not used or even drawn out of the Treasury. They came back at the end of the year and said:

What you gave us was more than we needed. It was not more than we thought we needed, but, as it turned out, there were no emergencies of the sort that we feared and that we have had in other years. We did not need it, and so we have \$538 million that we are turning back.

I do not see any injury to my country from that. I see great gain. And, therefore, I would rather err on the side of approving the amounts that have been authorized in the bill passed by this House and by the other House and I presume now signed by the President. I would rather go ahead with those amounts, confident that the gentleman's committee and our committee will ride herd on this program, will keep their feet to the fire and will do our best to prevent any greater waste and inefficiency

than is inescapable in a program of this sort, operating with all kinds of people, in all stages of development, in all parts of the world. If we go ahead that way, we will, in the long run, save money. The real way to save money is to help this program succeed. To let it fail is the way that will cost us the most money in the end.

It frightens me to think what may happen to the size of the United States Government's budget and to its fiscal strength if these supposed savings are kept in the final bill, and the funds provided prove inadequate for keeping the Free World free. It frightens me even more to think what may happen to our country's security.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. The Clerk read as follows:

#### MUTUAL SECURITY

##### Funds appropriated to the President

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, as amended, to remain available until June 30, 1959 unless otherwise specified herein, as follows.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that I have to resort to this rather unusual method of getting a little time, but there have been a good many unusual things in this debate this year. Yesterday was the first time in my 16 years in the House that I have seen the time for general debate handled in such a way that it was not evenly used by the two sides.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for a correction?

Mr. JUDD. I am glad to yield.

Mr. PASSMAN. Does the gentleman realize that the Chairman who is handling the time on this side yielded part of his own time to the minority Members, so that they would have more time?

Mr. JUDD. Yes. I realize that and I am grateful to the gentleman. I thought, however, it was a little unusual to have one side save up a whole hour of time for a second day of debate while the other side was using all of its time. Maybe that has happened before, but I think it is a precedent.

Mr. PASSMAN. That is the way the gentleman on the other side wanted it, and I was agreeable to it. They just kept on talking.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. TABER. We used our time after we had been told that they had no speakers available.

Mr. JUDD. And as I recall there were several occasions when the gentleman from New York [Mr. TABER] asked the chairman of the subcommittee if his side wanted to use any time, and my recollection is that he said that he did not care to use his time so we went ahead with all of our time.

Mr. PASSMAN. What I said was that the next speaker was not available. That is what I said. The gentlemen on the other side were using the delaying tactics all day, not the gentleman on this side.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I would suggest that the gentleman abandon this sort of debate and proceed with his remarks on the pending bill.

Mr. JUDD. Probably that is good advice. I did not make my comment in order to start a debate.

Mr. Chairman, I took this additional time in order to amplify my contention that to cut this program is more likely to increase than to decrease the total expenditures of our Government. One of the many awful dilemmas we face in the conduct of our foreign relations is this: On one hand, we know down deep that we cannot long stay solvent, free and secure here in America if the rest of the world is taken over piece by piece by an enemy dedicated to our destruction.

On the other hand, how can we help the rest of the world resist being taken over if we become weakened here at home? This is a question every Member of the House has to answer on the basis of his estimate of the nature and the seriousness of the threats to our country. What is the right amount that will give us most security for the money spent? If we give more than the right amount, we will weaken ourselves more than we will strengthen our allies. If we give less, then we will weaken them more than we strengthen ourselves by the money we seek to save. And it will cost us far more in the end.

I believe that we are at a crisis in this world struggle. I said almost 2 years ago that I thought the Communists would do their best to get a small war going somewhere, probably in the Middle East. At that time it looked as if they might get such a war between the Arab countries and Israel. Fortunately the United Nations Expeditionary Force went in, kept the forces apart, and that threat has diminished.

Now, the Communists are doing their best to get a war going in or involving Lebanon. They do not care who starts it or on what pretext. If they can get a brush-fire war going that ties us up there, then I shall be surprised if there are not some other wars—perhaps three—touched off fairly quickly. For instance, North Korea is ready under such circumstances to open up against South Korea. It now has the capacity. And Red China can open up against Taiwan. There was a hint or threat of that in a statement from Peiping as recently as 2 days ago. Then, there could well be North Vietnam against South Vietnam, or Laos. This would give us four separate wars on our hands at one time.

What would be our possible courses, and the cost of each alternative? Could we support each of those four wars at the same time? If not, which country shall we let go? Korea? Then what happens to Japan?

If we let Taiwan go, what happens to the Philippines and our whole western Pacific defense system.

If we let Vietnam go, with it will soon go all of southeast Asia, with its oil, rubber, tin, rice surpluses, and so on.

Shall we let Lebanon, Jordan, and Iraq go? Or Israel? How much will be left in the Free World of that absolutely vital Middle and Near East strategic area? Then we would really be over the barrel. What would our budget look like then?

Suppose we cannot support three or four such wars? Then do we resist by all-out war with the Soviet bloc, and cut loose with our Strategic Air Force? In that case, the bombs and missiles will not fall solely on Russia. Some of them will land in our country. What would that cost us in money—not to mention lives?

Surely this mutual security program is the better course to follow. We should do all we can to help threatened countries become strong enough so that their own forces can do most of the fighting for their survival, if they cannot deter the conflict. We should not, by cutting our aid too drastically, run the risk of weakening the will, the hopes, and the capacities of those peoples to defend themselves.

Again this year it has been said that we are trying to buy friendship and loyalty. No, we are not. It is not possible to buy friendship and loyalty, in international relations any more than in personal relations. We are trying to give to those countries that have the desire and the will to defend their independence, the capacity to defend their independence, that is all. If they do not have the capacity to defend their own independence, we are going to have to do it for them, in some cases, at infinitely greater expense to ourselves. Some of them are so important that we simply cannot afford to let them be taken over by the enemy. These are the considerations that force me to question the statement made so frequently that we cannot afford this program. In reality, we cannot afford not to have it, because any other alternative would be far more costly.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Does the gentleman desire additional time?

Mr. JUDD. I will take some more time later.

The Clerk read as follows:

Defense support: For assistance authorized by section 131 (b), \$700,000,000.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD: On page 2, line 10, strike out "\$700,000,000" and insert "\$775,000,000".

Mr. FORD. Mr. Chairman, this is the exact amendment offered in the full committee of the House Committee on Appropriations by the distinguished gentleman from New York [Mr. ROONEY]. It was defeated in the full committee by a vote of 26 to 20. I think it should be pointed out in the defense support part of this bill, and this amendment refers to the defense support portion, that there are no unobligated balances as of the end of June 30, 1958. This is the first

time that there have been no such unobligated balances, to my recollection.

It should be pointed out that in this account the unexpended balances have been considerably reduced in the last several years. In fact, in a 2-year period the unexpended balances have been reduced over \$330 million. This is a 30 percent cut in the unexpended balances in a 24-month period. It should be further stated that even with this amendment, which is an increase of \$75 million, the figure will be \$65 million less than what the President recommended in the first instance at the beginning of this session. If this amendment is approved, the total will be \$35 million less than the authorization figure contained in the bill or in the conference report which we approved several days ago.

The inference has been left with the committee in the last several days that the committee's recommendation of \$700 million was a carefully selected, highly scientific decision as to the amount of money that would carry on this program adequately for the next 12 months. The fact is that at no time in the markup of the bill in the subcommittee was there any breakdown showing precisely how the figure of \$700 million was justified. It was a figure selected, I am sure, in good faith, but it had no relationship to the facts and the figures, program by program, country by country. I am not criticising the selection of that figure on that basis.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I am glad to yield to the gentleman.

Mr. GARY. Was there any breakdown and enumeration in the budget estimate as to how they were to spend the \$835 million that they requested?

Mr. FORD. I think, if the gentleman will look, as I am sure he has because he has been diligent and conscientious in his responsibility in these matters, that in the justification books there was a breakdown country by country and project by project.

Mr. GARY. Country by country but not project by project.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. FORD. I yield.

Mr. ROONEY. The country figures were classified; were they not? Therefore, they may not be discussed here on the floor. However, the list of countries, all of which are on the Sino-Soviet border, may be divulged.

Mr. FORD. That is correct. But, there was a country by country breakdown and there were breakdowns within countries as to the type of areas in which the money would be spent. I only say this, that this justification in the justification book was much more precise and scientific, if we wish to use the word, than the mere selection of \$700 million rather than \$835 million.

The point I want to make is, and I reemphasize it, the inference is that the figure of \$700 million was completely scientific and the implication is that anybody who disagreed with that figure was irresponsible. The facts are that it is a matter of judgment. It is a matter

of judgment on the part of the executive branch when they selected their figure and they had some carefully worked out justifications. It is a matter of judgment on the part of the subcommittee whether they use the \$700 million figure or something else. And I personally think it is unfair even by inference to accuse as irresponsible those who disagree with that figure as a fact their figure was not a carefully determined figure but in reality something pulled out of the hat.

It is a matter of judgment for each and every member of this committee to decide upon at this point.

Now, the crux of the thing is precisely this: It was well explained yesterday that the defense support program involves economic assistance to 12 countries, countries which are vitally important in our effort to contain Communist imperialism.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that the gentleman be granted 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. NICHOLSON. Reserving the right to object, I am not going to object until the gentleman is through. When he is through I am going to object.

The CHAIRMAN. Is there objection? There was no objection.

Mr. FORD. Let us take the four of the countries involved, these are the four which get the major share of these funds. Take Spain, for example. If the committee's recommendation prevails, it is very probable and highly likely that the funds programmed for Spain will be cut \$10 million. What impact does that have on our own security? At the present time we have three United States military installations of vital significance in Spain. We have two strategic air force bases and one naval air force base. During this fiscal year over 10,000 American soldiers, sailors, and airmen will be stationed in that country, manning those facilities. Spain itself has 500,000 men under arms, aligned with the Free World. If economic conditions in Spain deteriorate, it will have an unsalutary effect on our own military facilities in Spain, and certainly will cause trouble in the maintenance of the Spanish military force itself.

Let us take another country, Turkey. If the figure contained in this bill stands, there probably will be a reduction of \$15 million in defense support funds for Turkey. What would be the impact on Turkey? We are all familiar with the fact that the Turkish military forces are approximately 550,000. We know that Turkey is aligned with us in the NATO organization. We know that Turkey is a part of the Baghdad Pact. Both of those organizations are closely aligned with our own military security.

We also know that the only means by which we can readily and accurately detect the missile and satellite development in the Soviet Union is by the continued operation of the United States military



installation in Turkey that tells us precisely and quickly how and when Soviet satellite and missile launchings are made. Do we want to jeopardize the economic conditions in Turkey which would have an immediate adverse impact on the military conditions in Turkey, which are closely aligned with our own? I do not want to lose the only place we can detect Soviet Union satellite developments. I do not want to lose the aid and assistance of Turkey for our own military security.

Let us take the situation in free China. If the cuts contained in this bill are sustained, it is probable that the funds allocated to free China will be reduced \$20 million in this current fiscal year. The Formosa forces are now approximately 600,000. They are an anchor for us, the Free World, against any further aggression by the Chinese Communists. If economic conditions in Formosa deteriorate, obviously the military potency of those forces will be drastically jeopardized. It seems foolhardy to me that for the sum of \$75 million we would gamble this military strength, from our own point of view.

Let us take the case of South Korea. I discussed it at some length yesterday, but if the committee figure in defense support remains as it is, it is highly likely that the defense support fund for South Korea will, of necessity, be cut \$35 million. South Korea has an army, navy, and air force of approximately 700,000. South Korean forces in the last 12 months have been reduced from 20 armed divisions to 17. If this reduction in this area is sustained, it is almost inevitable that the armed force of the South Korean Republic would be reduced from 17 to 14.

It seems to me that the committee figure is less than the finger-in-the-dike situation. It seems to me this amendment is absolutely essential for our own security.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the distinguished gentleman from Michigan may proceed for 2 additional minutes.

Mr. MARTIN. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan be allowed to proceed for 5 minutes.

Mr. NICHOLSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLSON. What is the pending request?

The CHAIRMAN. The gentleman from Massachusetts [Mr. MARTIN] has asked unanimous consent that the gentleman from Michigan may proceed for 5 additional minutes.

Mr. MARTIN. The gentleman from Michigan is the author of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 additional minutes.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Michigan yield briefly?

Mr. FORD. May I say just this: I am very appreciative of the consideration by the Committee. I think it is important. I did not ask for the additional time, I am just very grateful for your indulgence on a most important matter.

I will be glad to yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I should like to call the attention of the Committee of the Whole to the fact that a statement on the pending bill was issued this morning by President Eisenhower and it reads as follows:

#### STATEMENT BY THE PRESIDENT

I have a special statement to make on America's security and on waging peace. The free nations of the world are under constant attack by international communism. This attack is planned on a broad front and carefully directed. Its ultimate goal is world domination.

Against the pressures of international communism, Free World security can be achieved only by a practical solidarity of opposition by the nations each, according to its ability, carrying its necessary portion of the entire burden.

This is what mutual security really means.

To support this program, started a decade ago, the American people have given needed assistance to others. As a direct consequence, during recent years the Free World has been able to deny any new territorial expansion to communism.

In spite of occasional human errors in administering the details of the program, the overall results speak for themselves. The aggressive purposes of the Kremlin have been foiled, and there has been gradually developed in the Free World a greater spiritual, economic and military strength as a foundation for efforts to win a just peace.

Now, needed financial reserves have sunk below the safe minimum. In spite of this danger signal, the House Appropriations Committee has taken action that seriously endangers our security. We need more ammunition to wage the peace.

A careful estimate of this year's needs was made after prolonged study. It fixed the necessary total at approximately \$3,900,000,000. The sum proposed by the Appropriations Committee is more than 20 percent lower than the estimates.

This is taking reckless risks with our safety.

The cut will dismay our friends in Latin America, in Asia, in Africa, and in the Middle East—every nation that is standing at our side in this worldwide effort.

It is my deep conviction that reductions of a size contemplated by the committee will have grave consequences in portions of the Free World, and to our Nation's security—and will encourage Communist imperialists. Our people must understand this.

Regardless of the many and mounting billions that we spend for our own military forces, those forces cannot alone achieve our security. Friendly nations must be ready and able to stand by our side to present a solid front in the defense of freedom.

We have this choice:

Stand up and be counted, live up to our ideals and purposes, and assume the responsibilities that are ours;

Or, shrug our shoulders, say that freedom for others has no significance for us, is therefore no responsibility of ours, and so let international communism gain the ultimate victory.

The choice is clear for me.

I stand for American security, to be attained and sustained by cooperation with

our friends of the Free World. I am certain the American people will demand nothing less.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SPRINGER. Along the line the gentleman has just pointed out with reference to Spain, I want to call attention to the fact that in our bases in Spain we have in excess of \$400 million invested. Spain is the only country I know of, with the possible exception of Turkey, where, in case of attack by the Soviet Union, retaliation can be made. They have given permission for us to proceed without the consent of the Government in any retaliatory tactics we feel necessary to defend the Western World.

It would seem to me that is of some real importance. If we have this much money invested in this project in Spain are we now going to refuse to supply sufficient funds to keep their economy going or to enable them to keep up their own defenses and cooperate with us even in the defense of Spain itself?

Mr. FORD. Supplementing what the gentleman from Illinois has said, our Air Force bases and Navy installations in Spain are the only military installations available to us or our allies in Europe which are outside of the perimeter of the Soviet missiles which are in existence today.

It seems to me that it is of vital importance that we maintain the integrity of these installations, just as we should maintain the integrity of the military forces in Spain, just as we should maintain the integrity of the missile satellite-detecting installations that we have in Turkey, just as we must maintain for our own security the military strength in the geographical position of Formosa and just as we must maintain the maximum military strength possible in South Korea.

It seems to me that if we make any reductions below \$775 million in this particular defense-support program, we are taking a terrifically serious calculated risk against our own best interests.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Florida.

Mr. SIKES. I recall that it has not been but a few weeks since the gentleman spoke very strongly against providing additional military funds so that our own forces would be stronger throughout the world. Now we all want to strengthen our allies, and we want these to add to their own strength through their own efforts, but the facts are we have been called upon to use our own forces in every case where our allies and our policies have not met defeat. Is not the gentleman a little bit at cross purposes with his former stand?

Mr. FORD. I will say to the gentleman that I would rather provide the funds here to have the South Koreans help us and our allies do the job than to have additional American boys put into the United States Army and sent 8,000 miles overseas. For the same reason I think it is highly important that we help other countries because they are

willing to put their men in arms to work with us, to fight with us, to protect the Free World. For the same reason I think we should aid and assist Turkey because they are willing to put up a financial contribution as well as a manpower contribution to protect every country in the Free World, including ourselves.

It seems to me that we can do that job both as to dollars and as to United States manpower cheaper if we have staunch and steadfast allies rather than expect us to do the whole job. I deeply feel this amendment is essential to our United States national security.

The CHAIRMAN. The time of the gentleman from Michigan has expired. Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan [Mr. FORD].

I should like to call the attention of the Members of the House, particularly my good friends on the other side of the aisle, to some words spoken in February this year by a man you have followed many, many years in this whole program calling for mutual aid in adequate amounts. I can make this statement in the utmost good faith for the very simple reason that I, a minority Member of the House, quite some years ago voted for the Marshall plan and the Greek-Turkish loan programs, when a President of the United States, not a member of my party, advocated this program for our security. I believed then in the program. I still believe the defense-support program to be vitally necessary.

I call your attention to this speech because it now becomes very apparent during the last 2 or 3 days, that the leadership on your side of the aisle has determined that they will stand by the committee position for cutting the money so essential to implement this needed program. You apparently have decided to vote against making the necessary funds available at a risk to our security.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. ARENDS. I yield to the gentleman from New York.

Mr. ROONEY. If that is a fact, why does the distinguished gentleman from Illinois and the leadership on his side of the aisle who favor this program, as does the present speaker, the gentleman from New York, persist in their plan to offer amendments which if rejected might very well amount to a direction to the committee when they get into conference with the other body to adamantly stay by the present House position?

Mr. ARENDS. I feel it is our duty to offer these amendments that the responsibility for whatever action is taken is clearly fixed.

Listen to these words uttered by the former President of the United States, Mr. Harry Truman, at a meeting which I attended in February of this year. I am especially addressing myself to the Members on the Democratic side of the aisle. This is what Mr. Truman said:

There are many people who say they don't like the foreign-aid program because they believe it is administered badly. I don't be-

lieve that. From where I sit it looks as if a lot of things are now being administered badly; but you can't abolish the Government on that account. You cannot abolish the entire Government of the United States just because it's being badly administered. Neither is that the way to correct mistakes in the mutual-security program. Examine it all you please, correct all the mistakes you can, improve it every year and every day, eliminate waste and increase efficiency; but don't scuttle the ship just to stop the leaks.

Then he went on to say:

And I want to say a word in a political vein to my Democratic brethren in Congress. There was a Democratic vote last year to cut a budget item which should not have been cut, and we are still having a hard time explaining it. Please don't put us on that kind of spot again. If the Democrats in Congress refuse to spend at least as much for foreign economic assistance as this administration recommends, we will never, never be able to explain it. People will forgive us for spending too much in search for peace; they will never forgive us for refusing to spend enough.

I call this to your attention in the hope that you will heed the advice of your party leader; that you will recognize the value of this program for our own security and for the maintenance of peace.

To be sure, mistakes have been made and there has been waste; but in recent years the program has been substantially improved, both in character and in the method of administration. It must surely be recognized that as a whole it has proven its worth. During recent years there has been no territorial expansion of communism, and the Free World today is stronger, both in an economic and military sense, to combat any aggression anywhere. The strength in our solidarity as free people has itself been a deterrent to war. This program is a part of our national defense.

The substantial cuts made by the committee materially weaken it. To accept the committee position is to take a great risk. I hope some of the money will be restored.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

I do that simply to ask the gentleman if he agrees with the entire statement of former President Truman, particularly that portion of the statement which says that many departments of the Government are poorly administered.

Mr. ARENDS. Mr. Chairman, if the gentleman will yield, I do not necessarily endorse everything in the talk, but I think as far as this legislation being considered here today, Mr. Truman was right. If the mutual-aid program was good under Truman, it is still good now under President Eisenhower. It should be borne in mind that to the best of my knowledge, not a single country has gone back of the Iron Curtain in the last 5 or 6 years and certainly we have not since then been engaged in war with any American lives being lost. This should pinpoint and emphasize the importance of adequate military support.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the gentleman from Illinois whether that Truman statement was issued from France or at Eric Johnston's clambake earlier this year.

Mr. ARENDS. It was at a luncheon meeting that Eric Johnston had at the time he had those people in Washington.

Mr. GROSS. I am surprised that former President Truman is not over here now instead of at the French Riviera lobbying for this bill.

Now, this provision in the bill and the amendment to increase it gets right down to bedrock. This is the give-away section of the bill, defense support, which is economic aid, which is the give-away.

The gentleman from Michigan has made a great issue of Turkey. Are not the Turks interested in their own defense? Is not Spain interested in its own defense? Why should we load on the backs of the American taxpayers all of this giveaway program? I can understand Formosa and I can understand South Korea up to a point, but I do not think anybody in this House this afternoon thinks that if the chips were down in South Korea that we would not be on the way with a fleet and thousands of troops within a matter of hours. The South Koreans are not going to be able to defend South Korea alone if there is an attack made, and certainly the United Nations will not be there, because it was not there before, and has no intention of being there except in name. Is there any money in this development fund, this give away fund, that you are presently addressing yourself to, for France?

Mr. MORANO. Not the development fund.

Mr. GROSS. I am talking about defense support. That is what you are dealing with.

Mr. MORANO. You said the development fund.

Mr. GROSS. I stand corrected. Defense support, which is the give away.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. TABER. The gentleman asked if there was any money in here for France in this item. There is not.

Mr. GROSS. I hoped that would be the answer.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Connecticut.

Mr. MORANO. Would not the gentleman like to have a radar net in Turkey so that we can detect, as early as possible, if there is going to be a strike on the Western World? Would you not like to have that? That is one of the items in this bill.

Mr. GROSS. I would like to know why so much of this information is classified. Why should we not know what these programs are?

Mr. MORANO. Would the gentleman answer the question?

Mr. GROSS. What is that?

Mr. MORANO. Would the gentleman not like to have an early warning radar setup in Turkey or any place else, for that matter?

Mr. GROSS. We are spending money for that now in the military budget. That is not an expenditure in this bill.

Mr. MORANO. Yes, you are.



Mr. GARY. Mr. Chairman, if the gentleman will yield, would you ask the gentleman to point out where there is anything for radar control in this item?

Mr. GROSS. I do not know what is in the unspecified provisions of the entire bill.

Mr. GARY. His remarks are irrelevant at this point, because there is nothing of that kind in the defense support item.

Mr. GROSS. Certainly there is nothing under defense support for that purpose. This is a giveaway down to the last dime. I would like to inquire from the gentleman from Michigan why the Members of Congress and the public cannot be told what this giveaway program is for. Will the gentleman tell me why it is classified?

Mr. FORD. The reason why parts of it are classified is because it involves our own military strategy and planning. If the gentleman wants to look at some of the justification books he can see the classified portions. As far as I am concerned, every Member of Congress ought to have that opportunity.

Mr. GROSS. The gentleman knows the reason why, and it is not the reason the gentleman gave me. It has been stated on the floor of the House that we are not given this information because—and your hearings show it—because if nation X found out that nation Y was getting a little more money, there would be an unfriendly feeling toward us on the part of nation X. That is the reason given in your own hearings. That is the reason repeatedly stated on the floor of the House. And I am getting sick and tired of that kind of alibi or excuse.

Mr. FORD. Mr. Chairman, to a degree the gentleman's statement is correct. But in the substantial part of the appropriation request, there are requests for funds for certain military equipment predicated upon our own defense programs and policies, and it is not possible under those circumstances to divulge just where and what is requested.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JUDD. There is a third reason why the information is classified. If, when the agency brings up its requests for individual countries, those requests are made public, and then the Congress decides to reduce the amounts, as is being done today—

Mr. GROSS. I cannot yield further. But I should like to ask a question. Why is it we cannot find out how many troops there are in Laos?

Mr. JUDD. I thought you wanted to pursue the original question you asked.

Mr. GROSS. They are getting defense support. Why can we not find out how many troops we are supporting in Laos?

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. MARTIN. Mr. Chairman, I rise in support of the amendment of the gentleman from Michigan. I rise in support of this very modest amount which it is sought to be restored to a most vital section of the bill. This

amendment deals directly with national defense. This is not a partisan question. It should not be one of political bickering, because this is a measure that has been endorsed not only by President Eisenhower, but by ex-President Truman; not only by Secretary Dulles, but by ex-Secretary Acheson. It is a measure to permit the United States to protect itself from the greatest menace that this country has ever been confronted with, and that is international communism. This fund is necessary if we are to be supported adequately by our allies in the Free World.

If this were offered to the regular military appropriation bill we would not hesitate a minute. We did not hesitate in boosting that bill beyond the administration requests. We gave \$800 million more for national defense that the administration did not ask for. As a matter of fact they stated they could not use it. We are asking in this amendment for \$75 million additional so that we can have these strong allies.

Mr. Chairman, I would like to ask the membership, if there is another war—and pray God there will not be another war, because it would mean disaster to all mankind—would we not want to have some allies? Would we not want the Turks, the Koreans, the Vietnamese, the Pakistanis, the Greeks, the Filipinos, the Formosans, and the Spaniards, and the people of 12 different countries that will get military aid from this fund. Or would we want our American boys to do the fighting all alone? Because, if such a war should break out—and as I said, I hope it never will break out—we in America will not abjectly surrender to the Communists who would dominate, if they could, the whole world. We shall not do that. We are not that weak. And so I ask of the Members to give this a sober second thought. It is true, I know, that there are many who say, Let the bill go to the other body and they will restore the necessary money. I think they will restore much. But we would not be discharging our responsibility here in the House. Our responsibility is to meet this question forthrightly. Our responsibility is to do what we think is the right thing for America. That is all there is to it. A vote for this amendment is a vote to give to the President of the United States what he says he needs to discharge his full responsibility in protecting our country.

Under the Constitution, it is designated that he shall protect the security of our country and conduct our foreign affairs. He is the Commander in Chief. We look to him to make sure we have that security. Do we want to take that responsibility away from him? Should we assume that responsibility? If not, we must not fail to give him what he says is essential. This amendment does not meet the situation adequately but it is a step in that direction.

I want to remind you that since this administration came into power the international Communists have been stopped. Let us bar further progress and keep them from assuming domination of millions of people now in the Free World.

This is a serious decision we are to make. I pray that decision will be in favor of our continuing successful struggle against communism.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I state at the outset that when considering this bill last year the subcommittee accepted a motion to earmark a substantial amount of funds for Spain, over and above what the administration had requested. Subsequent to that action, the Executive transferred another large sum out of the defense item over to Spain.

I hope the Members will consider this matter upon the basis of fact, backed up by the record.

There were so many different types of economic aid in this bill that this House felt if we let them get too far afield on the defense support item there would be even more graft and corruption as a result of the program. I am sure that must have been the conclusion because when the Foreign Affairs Committee came to the House last year they asked for only \$500 million in this category. But an amendment to increase this to \$500 million was offered and adopted. The bill went over to the other body and, lo and behold, the item was raised there to \$800 million. In conference we had no alternative but to capitulate in this instance, in order to break what appeared to be a deadlock. Therefore, the bill was brought back to the floor of the House last year, for your consideration, with \$725 million for this category. We had moved up from \$500 million.

In the bill before you, continuing the unexpended balances, there is a total of \$3,403,582,500 provided in the several categories of economic aid. We have had the same item under different names in past years, appropriations that are several years old and have been under different names in prior years as being carried as obligated. But if you insist on limiting the discussion to defense support, permit me to note that my distinguished friend from Michigan only had 15 minutes' time, and he never did get around to naming the countries of Laos, Vietnam, Taiwan, and Cambodia, where in all probability there could be a lot of prosecutions as a result of malpractices in connection with the programs.

The particular figures are classified, but there have been hundreds of millions of dollars stolen. In some of those nations, where we are supporting the currencies, the official rate of exchange is 1 to 35 but the free market rate is about 1 to 100; so the connivers are making a 286 percent profit even before they finish the book transaction. Then when they move into the market place, with their import licenses, the overpricing in many instances has been as much as 1,000 percent. This is a phase of the program where you find blackmail, shakedowns and corruption.

The distinguished gentleman from New York [Mr. TABER], of whom I am very fond, supported my position in the committee a few weeks ago, to the effect that we should immediately send a dele-

gation to one of these far-eastern countries for the purpose of an investigation. Then, when they found out about the plan downtown, they said, in effect, "If you want to send a group down there, if you want to subpoena our records, we will come before your committee and make an honest confession." The gentleman surely remembers the understanding we had.

I say to you we should stick to the record here in considering this matter. We are not formulating policies this afternoon; we are considering the amount of funds required to continue the program, which is one of the most extravagant items in the entire bill.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. GARY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

Mr. NICHOLSON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes.

Mr. NICHOLSON. Mr. Chairman, I object.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield to me?

Mr. GARY. I am glad to yield to the gentleman.

Mr. PASSMAN. Is it not true that this bill provides in the item called defense support a total of \$1,610,688,000 in new and carryover funds—a fantastic amount, \$1,610,688,000 in this one category—and that if you add to that sum the similar programs which were under different names in prior years, the total available is in excess of \$2 billion? That is what the record reveals. I thank the distinguished gentleman for yielding to me so that we may further enlighten the House on what this item represents.

Mr. GARY. Mr. Chairman, I would like to point out we have had so much talk about how much this committee has cut. Let us see what the committee actually did. Last year we appropriated \$689 million for defense support. Then there was an unobligated balance which we reappropriated because of a situation that is nonrecurring, but which we cannot discuss for security reasons. So that really the appropriation last year, which was \$725 million, had \$25 million for this particular purpose.

Mr. WIGGLESWORTH. How much was the total?

Mr. GARY. It was \$725 million, with \$25 million for this particular purpose. So that left approximately \$700 million that we appropriated last year. We have recommended identically the same amount this year. The President requested \$835 million. At a time when this program should be tapering off and should be reduced, it is going up every year. I think the gentleman from Michigan said there was no justification for the recommendation that we make. I think there is every justification. We are recommending practically the same amount that was appropriated last year.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. PASSMAN. Does it seem to be a fair action from the other side of the aisle that would deny to the Member who is responsible for presenting the bill, and who has studied it for weeks and weeks and weeks, the opportunity to explain the bill; especially so, as we permitted the sponsor on the other side of the aisle to speak for 15 minutes?

Mr. GARY. I think some of the gentlemen on the other side regret that the objection is raised. But nevertheless, Mr. Chairman, the facts in the situation are just these, that the committee is recommending substantially the same appropriation that was made last year, if you will eliminate this special item of \$25 million, for which appropriation was made, which was to cover a peculiar situation that does not recur this year.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. GARY] has expired.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just feel that this item is necessary. I would not be for it if it were not. I believe that the things that are available prove it. The amount allotted to Korea this year as compared with last year shows a cut from \$300 million to \$215 million. You have got to face that situation. Last year the budget estimate was \$750 million, according to the record that the committee has. I have just checked up the figures. They were given \$725 million. We need to take care of those situations in Turkey. We need to take care of the situation in Pakistan and Iran and Iraq and Greece. The budget estimate originally was \$835 million. It is down now to \$700 million. This attempt is to put it back to \$775 million. \$775 million will help to keep our allies in line, and enable them to carry on and do a job.

I want to see this thing handled in such shape that, as the gentleman from Michigan [Mr. Ford], said, we will not have to send more of our troops over into that territory around the periphery of Russia. Let us adopt this amendment and say that we mean to go along and do what is necessary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Ford].

The question was taken; and a division was demanded by Mr. MORANO.

Mr. FORD. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. PASSMAN and Mr. FORD as tellers.

The committee divided and the tellers reported that there were—ayes 97, noes 120.

So the amendment was rejected.

The Clerk read as follows:

Development Loan Fund: For advances to the Development Loan Fund as authorized by section 203, \$300 million, to remain available until expended.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as previously stated, I have read the voluminous hearings in connection with this 1958 edition of the foreign handout program and I am impressed with two things: First, the valiant effort of the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], and some of the members to obtain information, and, second, the reluctance or utter inability of those entrusted with policymaking and spending of billions of dollars of the taxpayers' money to give clear answers as to what has happened in the past or what is proposed for the future.

After shoveling out more than \$80 billion since the end of World War II, the Congress and American people are still asked to underwrite, all too often on a sight-unseen basis, the spending of more billions throughout the world.

All too often it is a variation of the old county fair shell game, and when attention is called to corruption and racketeering in this program the stock answer of those entrusted with its management is "we regret," and it is "unfortunate" such things have happened.

Last year, on the House floor, I called attention to the black market in the currencies of Laos and Vietnam which has added, unnecessarily, millions of dollars to the costs of the foreign handout program in those countries and enriched a few individuals. The hearings show that since that time the General Accounting Office and the Passman subcommittee has tried to put a stop to this corruption, but it is also apparent from the hearings that there was a definite lack of cooperation with the GAO and subcommittee on the part of those running this show.

During past weeks and months I have listened to an assortment of speakers, in and out of the Government, trying to defend this multi-billion-dollar annual raid on the United States Treasury which is running deeper and deeper into the red. What intrigues me is why, after spending more than \$80 billion, and having won so many alleged friends throughout the world, it should be necessary to carry on a nationwide propaganda campaign. Is this an admission that the American people are still unconvinced that dependable allies can be purchased out of the United States Treasury.

Incidentally, I am still curious to know some of the details of how two Members of the House of Representatives, Mr. CARNAHAN, of Missouri, and Mr. MERROW, of New Hampshire, carried on their nationwide speaking tour of the past several months in behalf of this foreign handout program and low-tariff foreign trade. I am informed that their expenses were not paid by the House Foreign Affairs Committee, and I wonder if either of the gentlemen would care to enlighten the House as to the source of their expense funds?

I do not know whether either of those gentlemen are on the floor at the present time, but I would appreciate it if they are present, if they would tell where the expense funds came from to provide the wherewithal for them to travel with the greatest of ease from the Atlantic to the



Pacific and back again extolling the alleged virtues of these programs for foreigners.

Mr. Chairman, I can pinpoint the expenses of at least one man, Mr. Charles H. Shuff, Deputy Assistant Secretary of Defense for the Military Assistance Program, who addressed the export committee, Aircraft Industries Association, at Palm Springs, Calif., on December 3, 1957.

Let me read to you from a speech by this Assistant Secretary of Defense who has been out propagandizing the people of this country for support to keep this program going.

He says:

I feel very strongly that the greatest challenge we face at the moment is to publicize this program, and give it more sex appeal in the public eye. In my own small way, I have been trying to do just this ever since I took on my present job last May; and during the intervening months, I have stumped the country from Wisconsin to Texas, from Louisiana to California, preaching the principles of military assistance and mutual security to listeners ranging from local mayors to members of the Houston Chamber of Commerce. \* \* \* The American people must be told and sold.

Then he goes on to tell the Associated Aircraft Industries how to sell the foreign handout program.

Now, how were the expenses of this gentleman paid when he was propagandizing the American people in this way? We find in the hearings on page 274 the following item:

December 3. Charles H. Shuff, Aircraft Industries Association, Palm Springs, Calif., \$3,992.94.

Now, here we have an Assistant Secretary of Defense traveling all over the country—

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Here is a speech before one group in California which apparently cost the taxpayers of this country almost \$4,000 to drum up support for this handout program.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to my friend from California who has labored long and hard in an attempt to get some facts on this propaganda campaign.

Mr. LIPSCOMB. Would the gentleman be able to tell us what account that money was expended from?

Mr. GROSS. I have only the hearings before me, and it shows this particular item for this particular purpose on that day. I do not know where the money came from other than it apparently came from out of the United States Treasury.

Mr. LIPSCOMB. Does the gentleman suppose any member of the Committee on Appropriations could enlighten us as to where the Department of Defense gets the money to pay for these expenses?

Mr. GROSS. I do not know. I believe there are provisions in law prohibiting the use of taxpayers' money for propaganda purposes.

Mr. LIPSCOMB. There is a section in this bill, section 102, that specifically states that. Does the gentleman know whether this has been considered or looked into as being propaganda or publicity?

Mr. GROSS. Well, I just read the gentleman at least one excerpt from this speech. Does not the gentleman consider it to be propaganda?

Mr. LIPSCOMB. I certainly do, and I believe, in my mind, that this would be illegal according to the law.

Mr. GROSS. I appreciate the gentleman's statement.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. TABER. I wonder, has the gentleman submitted this question to the General Accounting Office?

Mr. GROSS. No; I have not. I just came into possession of the information yesterday.

Mr. TABER. Do you not think that should be done?

Mr. GROSS. Well, I would say that probably the proper place to take it would be the Attorney General's Office, but I doubt I would get anywhere doing that.

In addition to the fact that this Assistant Secretary propagandized the Aircraft Industries Association, let me point out that the military phase of the aircraft industry of this country is on a practically 100 percent cost-plus-fixed-fee basis; so I assume they could get into this propaganda campaign and charge it into business expense.

I want to call attention to some more propaganda. This is from the Atlanta Constitution, Atlanta, Ga., Thursday, January 23, 1958, and it is headed "U. S. Seeking Southern Belles to Charm Our Friends Overseas."

Keep in mind that this recruiting propaganda is part of the expense that you help underwrite if you vote for this bill.

Let us see what this newspaper article says:

For the lucky 1 in 10—

That is, for a job with the ICA overseas.

For the lucky 1 in 10, there are jobs at salaries ranging from \$4,000 to \$5,000 a year with free housing in new, air-conditioned apartment buildings. The girls sign up for 2 years and may get a 6-week vacation at home before returning for a second 2-year period.

Though some of the girls are young widows seeking a chance to get away for a while, most of the girls sign up to get a free trip abroad.

After passing the tests, the 50 to 75 girls sought from the Atlanta area will report for orientation in Washington. There they will study the agency's program, find out their assigned country, learn of their country's protocol and politics, and view scenic movies.

A "post report" tells the girls everything, from what to bring to what they can do in the way of entertainment in each country.

On the top of the social agenda is each secretary's ex-officio role of hostess to visit-

ing dignitaries—such as Adlai Stevenson and Vice President Nixon on recent round-the-world tours—at parties given by the State Department overseas.

Yesterday I inquired about the representation fund, the liquor fund, that is in this bill. I found that it is a minimum of \$200,000 and probably \$300,000. A short time ago a girl came to my office, who was seeking a job with the ICA. Among other things she told me about the wearing apparel that is required for one of the Asian countries. She said that it included 12 cotton dresses and 8 cocktail dresses. That is the requirement, 12 cotton dresses and 8 cocktail dresses, among other things.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am happy to yield to the gentleman.

Mr. HOFFMAN. Are those dresses the latest style, called sack dresses, a sort of a Mother Hubbard?

Mr. GROSS. I do not know, but I think I know the reason for the requirement.

Mr. HOFFMAN. I think the gentleman ought to find out.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MILLER of Maryland. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I know that many Members of this body are opposed to this program in its entirety. I respect their sincerity if I do not fully respect the soundness of the judgment which brings them to that conclusion. Also, in this campaign year it requires pretty strong convictions to support expenditures overseas when there are so many things needed in our districts here at home, in our own country. It is much easier to explain a vote for less than for more to the average man on the street at home in a situation as complex as this is.

However, the policy that this bill is supposed to implement was adopted by both the past administration and the present administration and also reaffirmed only the other day by this Congress. And it is our duty here to impartially determine what money is needed to implement it. To do that we should be factual and dispassionate and not allow our emotions to get the better of us.

Some of the comments by the distinguished subcommittee chairman and other speakers on this bill would give the impression that the ICA officials and other witnesses who have appeared before our subcommittee have combined inefficiency, scheming and conniving to make a distorted and inaccurate presentation of justifications for some ulterior and vaguely sinister purpose.

The many details, necessarily classified, have been criticized and alluded to as containing hidden secrets that would make a patriotic citizen shudder and put a different complexion on this bill.

Let us be factual and fair about the whole situation. There are probably some selfish and undoubtedly some inefficient persons in an organization as

big as this. So large a group would never be 100 percent of anything, and it is a very big and a very complex program.

But if we are to be impartial and to view this correctly we must recognize the fact that the ICA and the Defense Department witnesses that have appeared before this subcommittee are highly competent, devoted, patriotic Americans. Whether we agree with their judgment or not, they are well informed on the facts they have presented and they are conscientious and high-grade people. Any inference to the contrary is most undeserved. The patriotic motives of these men should never be questioned by anyone. They should not be slurred by implication. If anyone thinks we are in the face of a dangerous conspiracy here, it is hard to understand on what it is based.

About this classified information that we have heard so much about, there is no excuse for breastbeating about such a situation. I can assure my colleagues that the overall classified information that has been presented to our committee, and which is available to any one of you, not to talk about in the open, but to come here and look at, contains many more reasons why we should support this program than pointing out inefficiencies in it.

I think the details that justify the program are many and those that discredit it rather few. But remember this: We are in a cold war. It is a cold-war program. Obviously it would be grossly foolhardy to announce all of our plans, to call our shots in advance, to allow our potential enemies to know what was going on and advertise all our future moves. It is just silly to say that these things ought to be made public to the benefit of those we are seeking to contain and to defeat the very policies for which we are spending so much.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last two words, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Chairman, from time to time there are demands, recommendations, and proposals for a Congressional review and reappraisal of the mutual-security program and of the policies underlying that program.

I rise to suggest the need for a different and, I believe, even more fundamental review and reappraisal in connection with the mutual-security program—a review and reappraisal, in the light of a decade of experience and problems, of the legislative processes and procedures incident to mutual security.

It does not strike me as an exaggeration to say that there has been a very significant revolution—or evolution, if you please—in legislative processes and procedures in this House incident to the authorizations and appropriations for mutual security.

In saying this, I impute no improper motives, no sinister plot, no conspiracy to alter those legislative processes and procedures. Certainly I speak with no

disrespect toward the members of the House Committee on Foreign Affairs or the House Appropriations Subcommittee—the fruits of whose labors are brought before us in the pending mutual security appropriations bill. Indeed, I regard these committees and their members as victims rather than perpetrators of this situation which, it seems to me, calls for thorough, objective, dispassionate and constructive review and reappraisal.

The nub and essence of this revolution in legislative processes lies primarily in the unprecedented and unparalleled range and scope of varied and detailed and multispecialized types of legislative responsibilities and authority acquired by a single committee—the Committee on Foreign Affairs—of this House in conjunction with mutual security enabling legislation.

The nub and essence of justifiable concern by the House over this development seems to me to lie in the fact that the areas of responsibility and authority in which this committee must operate, pass crucial judgment and offer far-reaching, profoundly important and vastly costly recommendations to this House—under its ostensible and historic role of foreign affairs—are areas of activity, judgment and recommendation so vast, complex and specialized that comparable matters in the field of domestic legislation involve at least a half dozen separate, permanent committees of this House, each with clearly defined and scrupulously maintained jurisdiction. I am sure it will be agreed that the Foreign Affairs Committee is dealing with matters affecting some 50 to 70 countries which matters, if dealt with domestically, would involve the jurisdiction, responsibilities, authority and specialized experience, knowledge and skills of the Committees on Agriculture, Armed Services, Banking and Currency, Interior and Insular Affairs, Interstate and Foreign Commerce, and Public Works, as well as possibly of other committees. And I am sure that if these same matters were subject to legislative consideration in recipient countries with a legislative and committee structure similar to our own, they would likewise be subject to jurisdiction of corresponding committees in those countries.

The nub and essence of the analysis of this problem, it seems to me, is to determine whether this accretion of diversified responsibilities, authority and areas of specialization is in fact an unwitting and unwilling and unavoidable violation of the great principle of the committee system of our House; whether it places upon the Committee on Foreign Affairs a burden too grievous to be borne and one which a single committee ought, in any case, not to be permitted to bear; and whether it deprives the Committee on Foreign Affairs, the House and the Nation of the experience, skills and specialized know-how of the various other committees and their highly qualified staffs; and whether the situation is not a factor in the alarmingly steady transfer of discretionary power and authority to the executive.

Finally, the nub and essence of the resolution of this problem, it seems to

me, is for the House—by means of a special committee—to conduct an analysis of the problem along these lines and to determine whether there are means, not now available and not now utilized, whereby the values and safeguards of our historic and fundamental committee system may be extended to or drawn upon by either the Committee on Foreign Affairs or by the House itself in dealing with the complicated, diversified, highly specialized, and continuously costly features of mutual security.

I would be less than frank, Mr. Chairman, if I professed to have an unrestrained love for or confidence in the so-called mutual security program. I am skeptical of many of its premises and even more skeptical of many of its performances. I have no desire to contribute to the institutionalizing and indefinite perpetuation of a program of which a majority of the Hoover Commission members said in 1955 that “the time has come to apply some brakes.”

But I am also realistic. I see no prospect of total abolition of this program in the immediate future. I see disturbing evidences of continued propaganda and pressure tactics in support of the program from many sources—many of these tactics of the most deplorable type. I observe in this debate the mounting feeling and attitude of frustration on the part of those who seek to make some reasonable application of the brakes.

All of which prompts this concern that we look to the basic legislative processes and procedures, and particularly to the broader extension of the tried and proven committee system of this House to the legislative problems of mutual security, to the end that Congress will recapture and maintain the effective controls it should exercise over the program.

The Clerk read as follows:

Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), \$12,500,000: *Provided*, That no funds appropriated in this act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

Mr. WALTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe that I should avail myself of the opportunity offered by this debate and inform the House about the activities of the Intergovernmental Committee for European Migration.

This organization, actually created by the Congress of the United States, now comprises 27 nations of the Free World. Our aim in creating ICEM—outside of the United Nations, I might add, for the obvious purpose of eliminating Soviet Communist interference—was to establish an international instrumentality equipped to furnish migration services in order to increase the volume of European emigration to overseas countries whose economic development depends on the acquisition of manpower.

It was our desire to build an organization which would be able to insure smooth and humane accomplishment of



migratory movements and the settlement of the migrants under the most favorable conditions for their quick integration and assimilation into the economic and social life of their countries of adoption. We did not intend to create for ICEM a monopoly in the field of migration, and we have provided that migration services will be offered by ICEM only to those migrants who could not otherwise be moved. In that connection, I might add that at the present time 40 percent of all emigration from Europe proceeds through ICEM and the facilities which that organization is equipped to offer. Conversely, it should be recognized that the volume of emigration from Europe would be smaller to the extent of 40 percent if ICEM were not in existence.

It is not my desire to burden the House with an impressive story of facts and figures pertaining to ICEM's activities in the past as well as with the details of the steps—legislative and diplomatic—which led to the creation of that organization in the fall of 1951 at Brussels, Belgium. In that connection, I would prefer to refer the House to two extensive reports which I had the privilege of submitting in 1955—84th Congress, House Report No. 1570—and in 1957—85th Congress, House Report No. 203.

At this time, I wish, however, to submit to the attention of the House a short summary of ICEM's activities and a few remarks relating to its future.

#### THE COST

The cumulative total of ICEM's actual expenditures—administrative and operational since February 1, 1952, until December 31, 1957—is \$177,497,211, of which \$60,667,578 was contributed by the United States.

The total cumulative expenditures of ICEM plus estimated expenditures until December 31, 1958, are \$212,389,857, of which \$73,167,578 represents the United States' contribution. Thus, the United States is participating to the extent of 34.9 percent of all ICEM expenditures.

#### THE ACHIEVEMENTS

What did this money buy? In addition to a wealth of experience, which would permit ICEM to expand—it is hoped—its activities in the future, provided its course of action is properly redirected, and in addition to an imponderable, but easily detectable capital of international goodwill, ICEM has achieved this much in numbers: Since its creation, February 1, 1952, it has moved to new homes 786,969 immigrants, of which 672,736 are classified as people being moved under ICEM's normal program. This figure represents refugees as well as workers and other migrants for whom there was no room and no employment opportunities in Europe. The balance represents people moved to places of safe asylum and resettlement under emergency conditions, such as 84,589 Hungarian refugees from Austria; 10,710 Hungarian refugees from Yugoslavia; 11,141 European refugees who escaped from Communist China; and 7,793 refugees of European background moved from the disturbed areas of the Middle East, mainly from Egypt.

The emergency operation undertaken by ICEM in October 1956, in connection with the Hungarian revolution, and the ensuing exodus from Hungary has earned that organization recognition and praise of the entire Free World. Practically overnight ICEM's machinery sprung into action, and its helping hand was extended without delay and with the greatest degree of efficiency when and where such assistance was most desperately needed.

#### NEED FOR REASSESSMENT

With all the past achievements of ICEM recognized and made part of its record, it would be wrong to paint too rosy a picture as far as the organization's future is concerned. Those of us who—like myself—participate as United States delegates in the semiannual sessions of ICEM's governing bodies, watch with a considerable degree of anxiety the declining figures of migrants moved by ICEM from Europe.

In the last year, except for the emergency movements of Hungarian refugees, the numbers of migrants leaving Europe declined steadily. There are many factors involved in this occurrence.

Europe is still in the midst of an era of economic expansion which, provided that conditions of the world's economy remain stable, may be expected to continue although at a slower rate than in the past. European workers are able to find employment in the expanding industries of Europe more easily than 7, 5, or even 3 years ago and their desire to leave their native lands is diminishing as a consequence of better employment opportunities at home.

However, unemployment and underemployment still exist, mostly in the south of Europe. What is rather cruelly called surplus population is therefore likely to remain a factor in Europe for a considerable period of time. But such unemployed manpower will consist mainly of agricultural workers, unskilled or not sufficiently skilled urban workers and refugees. The scope of the problem will be further enlarged by the influx of a large number of Dutch people expelled from Indonesia.

On the other side of the picture, Australia, Canada, and several countries of Latin America, although still remaining a great resettlement potential, require now both agricultural and urban workers with a level of skill higher than that which they were able and willing to receive in the past.

#### QUANTITY AND QUALITY

A rather easy evaluation of these factors offers an explanation of the diminishing migratory movements from Europe. Plainly speaking, I believe that the quantity of migrants from Europe will continue to decline unless the quality of the migrant is improved. To realize the cold fact and to approach the current situation realistically, there is practically no demand in the immigrant-receiving countries for the unskilled worker. There is, however, and there will be for a long time to come, a demand for the worker prepared and trained to contribute to the developing economies of

several countries of the British Commonwealth and Latin America.

I might add that the deficiencies of the international migration programs are illustrated not only by the diminishing number of workers leaving Europe, but by the very unfortunate occurrence of a considerable number of migrants returning to Europe because they were unable to find desirable employment and happiness overseas.

Without trying at this time to pinpoint the deficiencies of the vocational training and other type of preparations for the resettlement and assimilation of an immigrant in the various countries of Latin America, Australia, Canada, and the British Commonwealth countries in Africa, it is not difficult to find distressing examples of the lack of preparation for the settlement and assimilation of immigrants coming to the United States.

As reported in the proceedings of the Lexington Conference on Immigration, held on November 9, 1957, at Lexington, Ky., the Reverend Maurice Shean, executive secretary of the Farm and Family Foundation, Charleston, S. C., related his experience in resettling European farmers in South Carolina.

Said Father Shean:

The European farmers sometimes arrived in the United States with exaggerated ideas of the living standard which would be theirs. They found it difficult to adapt to American farming methods. There was a sense of isolation in being many miles away from anyone who spoke their native language or understood their traditional customs and attitudes. If they were resettled on farms anywhere from 10 to 40 miles away from the nearest large city, they worried that their children would not have American schooling, meet American friends; then they wanted cars which would take them to the cities, and this was far beyond their incomes.

Father Shean emphasized that there were vast areas of untilled land in the United States which immigrants could work to good advantage.

With some adjustments on the part of American sponsors and the immigrants themselves, there could be matching of unused land and homeless people for the benefit of all concerned—

Said Father Shean.

Similarities of this situation occur all over the world. I submit that there is a remedy, a cure to the darkening world migration picture. The answer lies, I believe, in expanding services which will train the prospective migrant in a useful skill, prepare him for his new life in a new country, teach him the language spoken in the land of his destination, teach him the way of life of his new countrymen and precondition him for the adjustments which he will have to make. Undoubtedly, there would be demand overseas for such type of immigrant.

#### ICEM COULD DO IT

Is ICEM authorized to undertake such a task? My answer is "Yes."

The basic resolution establishing the Provisional Intergovernmental Committee for the Movement of Migrants From Europe—PICMME was the direct predecessor of ICEM—gave the new organization a rather limited mandate, circumscribing its scope of activities in ac-

cordance with a task which at that time dominated the minds of all of us who participated in the Brussels meeting.

In agreeing to constitute PICMME, the nations participating in the Brussels conference decided that the purpose of the new organization "will be to make arrangements for the transport of migrants, for whom existing facilities are inadequate and who could not otherwise be moved, from certain European countries having surplus population to countries overseas which offer opportunities for orderly immigration, consistent with the policies of the countries concerned." The resolution further limited the scope of PICMME's activities by providing in its paragraph (3) that the new organization will provide and arrange for land, sea and air transportation, assume responsibility for the charter of ships, work out a shipping program and "take only such actions as may be directly related to these ends."

Regarding services to migrants to be undertaken by PICMME, the terms of reference of the new organization were rather devoid of flexibility and that, I wish to stress, was not an oversight on our part. The new organization had an immediate task cut out for it—to move into a field deserted by the expiration of the International Refugee Organization and to continue the shipping activities of that organization without attempting to originate new and probably expensive programs of secondary importance at a time when there was crying need to attend immediately to the movements of migrants, refugees and displaced persons in the first place, for whose reception doors were open overseas.

Two years later when we charted ICEM's future course and wrote its constitution at the conference held in Venice, Italy, it was realized that the scope of ICEM must be broadened and that sufficient flexibility must be built in its organic act so as to permit the already well-established organization to move out of the restricted field of mere shipping activities and to undertake to stimulate migratory movements.

In the preamble of ICEM's constitution, we recognized "that the furnishing of special migration services is often needed in order to increase the volume of European emigration and to ensure the smooth accomplishment of migratory movements and, in particular, the settlement of the migrants under the most favorable conditions for their quick integration into the economic and social life of their countries of adoption." And in article 1 of the constitution, in stating the purpose and functions of ICEM, we said that they shall be "to promote the increase of the volume of migration from Europe by providing, at the request of and in agreement with the governments concerned, services in the processing, reception, first placement and settlement of migrants which other international organizations are not in a position to supply, and such other assistance to this purpose as is in accord with the aims of the committee."

#### SHIPPING PEOPLE—NOT THE SOLE PURPOSE

Clearly, the constitutional authority to do more than merely to buy space, char-

ter ships, and fly planes in which immigrants are moved to countries of resettlement—the authority to become a catalyst for a free but orderly and planned movement of manpower to countries where manpower is needed—that authority is right in ICEM's constitution.

I did not hesitate to point out to the governing body of ICEM the inadequacies of the organization's present activities. In my capacity as United States delegate to the eighth session of ICEM's Council, I addressed that body on May 27, 1958, in Geneva, Switzerland. I paid tribute to ICEM on the magnificent work it had accomplished during the Hungarian crisis. However, I pointed out that almost from its inception ICEM had been called upon to deal with emergencies, and, perhaps for that precise reason, sight had been lost of the primary purpose for which it had been created, namely, to find a permanent solution to the problem of surplus population in Europe and to the need of additional population in many countries of the overseas continents. Rather pointedly, I believe, I have expressed the hope that ICEM will not develop into a kind of a travel or shipping agency because, I said, if its activities were restricted merely to transport, its days were numbered. I suggested that ICEM should undertake with vigor the pursuit of its basic purpose of increasing the volume of migration from Europe to countries which require additional manpower in order to continue their economic development.

I was pleasantly surprised when the members of ICEM's Council loudly applauded—and that is a rather unusual thing there—my harsh words, obviously expressing general agreement with what I had to say. That agreement was further stressed in the general debate which followed my remarks, and it was reflected in the unanimous adoption of a resolution directing ICEM's administration to secure wider opportunities for migration from Europe to overseas countries and to place emphasis on increasing migrants qualifications and to facilitate their vocational preparation and psychological adaptation, particularly through programs of vocational, and language training and by the improvement of reception and placement activities.

A more precise program of the activities envisaged in the resolution will be worked out in the course of the current year, and submitted to the ninth session of ICEM's Council, scheduled to convene on November 12, 1958.

Many of us hope that those plans will help ICEM to map a new course, as we believe that such a new course is absolutely essential if the member nations' interest in continuing ICEM's activities is to be maintained.

#### NO SELF-PERPETUATING BUREAUCRACY

The new course for ICEM must be charted very carefully, though. It would be fatal, I believe, if ICEM were to embark on a great international, educational scheme, under which an international bureaucracy, congenitally interested in self-perpetuation, would create never-ending training programs of the do-gooder type. No, I do not believe

that many nations, nor many taxpayers, would be inclined to pay for an international social worker's pipedream.

On the other hand, if ICEM could provide the immigrant-sending and the immigrant-receiving countries with a small, truly professional staff of instructors who would train not the migrants themselves but would teach instructors—paid by the interested governments—so as eventually to transfer the vocational and psychological adaptation training to national, rather than international authorities, if ICEM's administration under the direction of its Council and its Executive Committee could work in that direction and truly become a catalyst only and not an expensive agent, all of us who have gained experience in that field would approve of that solution.

In the course of the current year, ICEM was fortunate enough to acquire the services of a new Director, a prominent American, Mr. Marcus Daly of New Jersey, a businessman, corporation executive, lawyer, scholar, and civic leader. Having observed Mr. Daly's initial actions and having discussed with him very extensively ICEM's future and his plans and projects, I am more than confident that Mr. Daly is perfectly qualified to chart the new course for ICEM and to guide the organization with a firm hand.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. GARY. I would like to call to the attention of the gentleman that our committee is recommending the amount requested by the President for that item. In addition, I would like to call attention to the fact that we are recommending the full amount of the requests for the United Nations refugee fund, the escapee program, the United Nations children's fund, the United Nations Relief and Work Agency, the ocean freight, and the Control Act. There has usually been considerable controversy over some of these items, but we thought they merited the amounts requested. The committee did not cut them 1 dollar. Since we have been criticized so severely for some of the cuts we have made, I thought this should be pointed out for the RECORD.

Mr. WALTER. I think that is probably due to the fact, certainly in the case of the Intergovernmental Committee for European Migration, that they have proved their worth. I am sure that the committee was impressed by the testimony in support of this particular item.

Mr. GARY. I just wanted to point out to the gentleman that we did not make indiscriminate cuts; that the committee worked over this bill very hard, and recommended cuts only where we thought they were justified.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. FULTON. I want to compliment the gentleman from Pennsylvania [Mr. WALTER], as well as the gentleman from Virginia [Mr. GARY] and the committee, for recommending the keeping of these funds in the bill for the Intergovernmental Committee for European Migration, the refugee and escapee programs,



the United Nations Children's Emergency Fund which was first put in the original Marshall plan bill on my amendment in the Foreign Affairs Committee with bipartisan support. These programs have done wonderful work and the American people should be proud of their participation in these humanitarian activities of our United States foreign policy. I have seen these projects in operation on the spot, and have kept up with their activities to date.

I want especially to compliment my good friends Tad Walter and Walter Besterman, legislative officer of the Immigration and Nationality Subcommittee of the House Judiciary Committee, for their constant interest and excellent work in the refugee and escapee programs, and their giving of high-level leadership and United States representation with the Intergovernmental Committee for European Migration. They have not spared their time nor convenience in making the necessary travel to implement and plan for efficiency, in the month-to-month administration of these programs requiring tact, knowledge, and diplomacy.

In addition, I would like to comment favorably on the efficiency and human interest of Gen. Joseph M. Swing, United States Commissioner of Immigration and Naturalization, and compliment him and his organization, the Immigration and Naturalization Service, for their quiet efficiency in their difficult field where they give good service to the American people and our new entrants into the United States.

Mr. FORRESTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the end of this session I will have been a Member of this honorable body for 8 years. When I came to the House as a rookie, I understood that we were really going to wage an all-out fight on communism, and for some years I supported this mutual-security program thinking we were going to fight communism at home and abroad. But in these 8 years I have begun to think as the poet, when he said:

I'd rather see a sermon than hear one any day;

I'd rather have you walk with me than merely show the way.

The eye is a willing pupil, more observing than the ear;

Precept is confusing, but example is always clear.

The lectures you deliver may be very fine and true,

But I'd rather get my lesson by observing what you do.

I want to say that what I want to see you do is, instead of just waging a war across the seas, to show me some demonstration to the effect that these Communists in this country—and you know we are abounding with them—are not going to be treated so kindly and so tenderly from now on as they are being treated now, and we are going to knock them off their perch where at the present time they are almost Who's Who in this country. I want you to declare war on these American Communists. I want you to show me that you are going to prove to them that they are the boys "whose through" in this country. If

you will show me that, I am ready to put on my armor and fight across the seas with you. But I will tell you right now I am a little sick and tired, because this Congress has taken no steps whatsoever to undo the terrible decision of the United States Supreme Court to the effect that you cannot discharge a known Communist, working for your Government, drawing your taxpayers' money. You have got to fight communism at home before you can fight it successfully abroad. Those boys over in Europe are looking at you. They know about that horrible decision. They see the tenderness and kindness that Congress is exhibiting toward the Communist groups by inaction. How harsh and how cruel many are to the Senator, or Congressman, who come into the well and talk about good old American sentiments, and against the Communist vermin. Sometimes it apparently is a crime to talk for America in the minds of too many. I spurn the views of those who talk of fighting the Communists abroad with dollars but object to fighting Communists here with salutary laws.

I want to see that environment changed. I want to see you rise up in your wrath and say to the Supreme Court that you are going to correct the horrible decision where they told the Un-American Activities Committee that they were interlopers, that they were trespassers, and almost put a medal of honor upon those boys who have waxed fat from the fruits of our hand, and came before Congress dressed in the very finest of clothes, after sitting at our tables, partaking of all of our luxuries, without any shame whatsoever, but rather it looks like with pride, and refuse to say that they do not advocate the overturn of this country by force and violence.

Get our house in order. If you are really going to fight communism, fight it where it counts. Get it out of America. Prove to other nations you despise communism. Quit apologizing for standing for America.

I am not afraid of the Chinese Communists, but I am scared to death of the American Communists.

Mr. Chairman, you cannot solve this with money alone. It takes the heart also. Each and every one of us has got to put his hand to the plow, and we cannot afford to turn back until we have destroyed the enemy who says that God is a myth and that Christianity must disappear from the face of the earth.

I challenge you to do the thing that civilization is crying out should be done. Give us a little example for a change.

The Clerk read as follows:

Program of United Nations High Commissioner for Refugees: For contributions authorized by section 405 (c), \$1,200,000.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. GROSS. Mr. Chairman, I take this time to ask some member of the subcommittee a question or two concerning this item or program of the United Nations High Commissioner for Refugees, \$1,200,000. Is this the appropriation to take care of Arab refugees, or is that in the next item?

Mr. TABER. This has nothing to do with Arab refugees.

Mr. GROSS. To whom does it apply?

Mr. TABER. This applies to those who escape from Russia or some place like that. This allows them to be cared for.

Mr. GROSS. Then what is the escapee program, which is the next item?

Mr. TABER. It is about the same thing; in fact, all three are about the same. They really ought to be in one item.

Mr. GROSS. Apparently the whole bill is about the same thing. I would kind of like to get it broken down, if I could. Where is the provision for the so-called Arab refugees?

Mr. TABER. They come a little later on. The item for them is \$25 million. They do not come as cheap as the previous ones. Lines 13 to 17 of page 5 is where they come.

Mr. GROSS. Would someone like to answer the question or will that come later?

Mr. HOFFMAN. Mr. Chairman, I would like to ask the gentleman from Iowa to ask the gentleman from New York if we are talking about Arabs, where does the American taxpayer come in on this thing?

Mr. GROSS. His relief is coming later; he is going to be relieved of everything.

Mr. HOFFMAN. He is going through bankruptcy, is that it?

Mr. GROSS. That is right.

How many of these Arabs are there?

Mr. TABER. Between seven hundred thousand and nine hundred thousand.

Mr. GROSS. Who is contributing to their support?

Mr. TABER. The United States principally, but some contribution is made on the part of Great Britain and I think some on the part of 1 or 2 other countries, but it is small in amount.

Mr. GROSS. Who is responsible for these Arab refugees?

Mr. TABER. They were dumped out of their homes in Palestine when the State of Israel was created.

Mr. GROSS. Were we responsible for that?

Mr. TABER. No.

Mr. GROSS. Why are we paying the bulk of the bill then?

Mr. TABER. Because of the destitute and pitiful conditions that these people are in.

Mr. GROSS. How much do they get a day?

Mr. TABER. Well, you can figure it out as well as I can. Something like \$30 a year—8 or 9 cents a day.

Mr. GROSS. Why is it that the people who are responsible for dumping these people out of their homes are not taking care of them?

Mr. TABER. Well, they quit.

Mr. GROSS. Mr. Chairman, if that is all the information I can get, I guess I will have to quit, too.

The Clerk read as follows:

General administrative expenses: For expenses authorized by section 411 (b), \$33 million.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, both the Committee on Foreign Affairs and the Committee on Appropriations make a very diligent effort to find out all the things that are wrong in this program, the mistakes that are made, the waste, the miscalculations, the errors in judgment, and any instances of fraud or actual corruption. Our job is to expose and try to correct all such.

But surely there needs to be some balance in our presentation. Reasonable effort should be made to report some of the successes, also.

It should be pointed out that some of the most important and remarkable successes have been achieved in the very places where the program had the most things wrong with it, the most to be criticized in its administration. Because of the difficulties or the primitive conditions existing in a country, many things were wrong, there were undeniable irregularities, and sometimes outright fraud, generally discovered and reported and corrected by the ICA itself. Certainly things were not in strict accord with General Accounting Office procedures. Yet the overall results achieved were strikingly successful.

May I use as an example the country that has been most discussed here, described as a skeleton in the closet—the country of Laos. How and why did we start a program in that country in the first place?

Laos was given its independence 3½ years ago yesterday. It had been 1 of the three component parts of French Indochina. On January 1, 1956, when it started out to run its own affairs, it did not have a bank. It did not have a currency of its own; the French had used their currency, and the unrealistic exchange rates had been set by them. It had no industry whatsoever. It did not have a graded road. There was only one doctor in the whole country. It had no education above the sixth grade. It had had no experience in import trade whatsoever. Everything had been handled by the French.

On top of those basic difficulties, it was in the midst of a civil war with two of its provinces occupied and controlled by Communist forces, being supplied right across the border from North Vietnam and from Communist China. Obviously the Communists intended to take it over—and were on the verge of doing so.

The French had developed an Army of approximately 30,000 men. Those soldiers were paid entirely by the French Government. There was no taxation system, the country had no military budget of its own, it had never paid a cent toward its own armed forces. And the French had established for these troops, as in Vietnam and Cambodia, about the highest pay scale in that part of the world. What were we to do with such a problem?

You will recall that the British for decades had supported the Arab Legion in Jordan without which that country would have succumbed to Communist subversion last year and the rest of the Middle East might have gone with it. When the British were kicked out 2 years

ago, we took over its support at 20 to 30 million dollars a year and it has paid off.

The problem in Laos was much more difficult. We would have to assume full support of the armed forces. How would we get the local currency to pay the bills? What American products would we import to sell for local currency as we do elsewhere? There were not many of our products that they needed, or could use, or that could be moved in. To sell dollars for local currency at the official exchange rate would lead to blackmarket operations of a scandalous sort—as it did. Yet for us to insist on our ways and will all at once, would appear to them and be portrayed everywhere, as our helping them get rid of French imperialism only to impose our own. And such external control would be rejected by them, no matter what the consequences. What was to be done with such an impossible situation? Throw up our hands, and let the Chinese Reds into the heart of southeast Asia—the same Chinese Reds against whom the committee properly inveigh in the latter part of this bill?

I want to report that, to the credit of the ICA and the State Department, they asked to talk it over with our Far East subcommittee. They told us frankly that they did not know whether to make the effort to save the country or not; it was a touch-and-go proposition. There just did not seem to be enough there on which we could build. And because we would have to take over the French practices and change them gradually, as the country developed, it was certain there would be plenty of criticism. But, when you look at the geography, you will see why we agreed that we ought to try. The alternative was too dangerous and would be far more costly.

Look at the location of Laos—600 miles long with Burma on its northwest, then Thailand and Cambodia on its west, South Vietnam on its south and east, and Communist North Vietnam and Communist China on its northeast and north. It is wedged down between them in such a way that if Laos goes to the Communists, it will be practically impossible to save any of the rest of southeast Asia. So, we thought this new country so important that we ought to make the effort even though the chances of success were certainly no better than 50-50.

Well, it has been tough going these 3 years. It took 2 years to get anything like an adequate staff. Who wanted to go to Laos? But, for my money, one of the most extraordinarily remarkable achievements of ICA anywhere is that this country is still today independent. It has cost a lot, but the integrity of the country has been preserved. The civil war has been brought to an end. The Communists have been rolled back. Two Communist battalions have been integrated with the regular forces and the other battalions disbanded, the government has not recognized Communist China. It has not recognized the Soviet Union. And, two of the greatest efforts the Communists made were to get recognition of either the Soviet Union or the Chinese Communists or both, so that

they would have consulates legally operating in the heart of that part of the world as ideal centers for carrying on subversion.

An election has been held and the forces resisting the Communists won it. So, when you consider the almost insuperable difficulties encountered and the results achieved thus far—and despite the irregularities and the corruption which I do not countenance for a moment—this is one of the greatest successes of the foreign aid program—hardly short of a miracle.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. Can you tell us how much money we have put into that country of Laos?

Mr. JUDD. My recollection is something over \$100 million.

Mr. WILSON of Indiana. How much is there in this bill for Laos?

Mr. JUDD. I cannot discuss that publicly. But, we have evidence that the French had been paying pretty nearly \$3 million a month to support the army alone. We had to support almost everything at first, just as in Jordan, but conditions are improving and the costs are decreasing. As of this moment what we have spent has been a good investment, and I think it ought to go on, while we work patiently and constantly to improve it.

The Clerk read as follows:

Atoms for peace: For assistance authorized by section 419, \$5,500,000.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask some member of the subcommittee if this appropriation provides for the building of any reactors in any foreign country.

Mr. TABER. There are some reactors for some foreign countries, yes, experimental jobs built on a small scale and not high-priced jobs.

Mr. GROSS. Is this \$5.5 million for administrative expenses?

Mr. TABER. No. Largely for the development of these outfits and for peaceful purposes. As I remember it, there is one in The Netherlands and one in Italy and one in the Far East somewhere.

Mr. GROSS. Have we set up this Atoms for Peace headquarters in Austria?

Mr. TABER. Yes.

Mr. GROSS. Does this provide for any buildings or any fancy trimmings for that setup?

Mr. TABER. No fancy trimmings; for a building, I think, but I do not know exactly about that.

Mr. GROSS. Can they put up a building out of counterpart funds?

Mr. TABER. Well, they use that as far as they can. However, it does not take any less appropriations to use counterpart funds, because they are required always to go to the Treasury and pick up these counterpart funds with American dollars. So, when they use counterpart funds there is a charge made against our appropriation just the



same as if they were using American dollars, only in that way the Treasury gets the money and we get rid of that much of counterpart funds.

Mr. GROSS. Then when you shake it all down, 85 cents does not come back out of every dollar that is spent on this giveaway program?

Mr. TABER. I do not know anything about that 85-cent business.

Mr. GROSS. All right, then, 75 cents.

Mr. TABER. I have never made that statement.

Mr. GROSS. But the gentleman has heard that statement made on the floor, has he not?

Mr. TABER. I have never made it.

Mr. GROSS. Some of them say 75 cents, some say 85 cents; take your pick. But it does not come back.

Mr. TABER. Some programs yield better than 100 percent, and others, perhaps, do not yield 5 percent or 1 percent.

Mr. GROSS. In terms of dollars and cents, which one yields better than 100 percent? That is the one I want to find out about.

Mr. TABER. They might be the two big items, military assistance and defense support. In many places they will yield a full 100 percent benefit in return; not in dollars, but in the dollars that we otherwise would have to spend for our own troops.

Mr. GROSS. That is what I thought, that this is all a bunch of hokum that we get back 100 percent in terms of dollars, or even 75 percent.

Mr. TABER. We get it back in dollars by reason of the fact that we do not have to spend so much on our own forces.

Mr. GROSS. Of course, if money is not spent we do not have to worry about getting it back under any circumstance.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes.

Mr. HOFFMAN. Yes, you do. Does not the gentleman see how that works?

Mr. GROSS. No; suppose the gentleman tell me.

Mr. HOFFMAN. You give it to them and you do not get it back, but you do.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

The Clerk read as follows:

President's Special Authority and Contingency Fund: For assistance authorized by section 451 (b), \$100 million.

Mr. MILLER of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Maryland: On page 4, line 4, strike out "\$100 million" and insert "\$155 million."

Mr. MILLER of Maryland. Mr. Chairman, this amendment is rather simple in that it involves just one item. It is a very important item, although it is not one of the large items. The amendment raises the figure from \$100 million to \$155 million, which is the amount of the authorization. It is the President's Special Authority and Contingency Fund.

As I say, this is a quite important item. In my opinion, it is one of the

very critical items in this bill. The budget request was \$200 million. The amount provided in this bill is \$100 million, which is a 50 percent cut on what is one of the most sensitive items, in my opinion, in the whole measure. The amendment seeks to raise the amount to the figure in the authorization, which was considered rather fully the other day.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. Briefly.

Mr. GARY. Is not the amount that is in the bill at the present time the exact amount that the House approved in the authorization bill?

Mr. MILLER of Maryland. The amount that is in the bill now is the amount that was originally adopted by the House but, as a result of the conference, that item was fixed at \$155 million.

Mr. GARY. But it is the amount that the House originally adopted in the authorization bill?

Mr. MILLER of Maryland. That is correct. But the authorization now provides \$155 million and I think it is all needed, and I seek it because I think that a 50 percent reduction in this important item, from what was requested by the President, is dangerous.

If you will refer to page 65 of the record it says:

To meet the changing world situations, to maintain the initiative, to respond effectively wherever the interests of the Free World are in danger—these purposes require a contingency fund.

It goes on to say:

Natural disasters, economic, political, and military crises, new strategic requirements, new Communist moves—all may call for action in the security interests of the United States.

In the past we have implemented this purpose by various legislation providing sums in a larger amount. To give an example of some of the types of things it has been used for, when the Hungarian relief situation suddenly broke it was from funds of this character that the \$30 million that was needed immediately was forthcoming. In 1957 that was one of the items. In 1958 we had to call on these funds for Jordan, and for the United Nations expeditionary force in the Suez.

In 1957 it required \$215 million for this. This year already about \$165 million has been used. On page 1235 Mr. Barnes testified that the total possible new program needs for the fiscal year 1959 now foreseen apart from those arising from unexpected developments would require the entire \$200 million. This money will not be spent unless the needs are urgent and considered as in the best interests of the United States by the President of the United States. In some years these contingent funds are not used at all or only nominally, but as we are in a position of world uncertainty and frequent sudden emergency, it seems to me a most inopportune time to reduce the emergency contingency fund which we give to the President of the United States, who is

charged with meeting these needs as they develop under all circumstances.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield.

Mr. WILSON of Indiana. If this amendment is defeated and the original amount remains at \$100 million, the President, if he needs the money, can come in after the Congress meets next year and ask for a supplemental appropriation?

Mr. MILLER of Maryland. Certainly he can, but if a matter of great urgency and great secrecy and requiring great dispatch arises and the Congress is not in session, it might be too late to make a move that might be of the greatest importance to us. If we believe in our system, if we trust our President, I do not see how we can deny him these funds.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to point out 1 or 2 things that I believe to be consistent in connection with my position on this amendment, and then I want to ask the chairman of the committee a question or two about the provisions of the bill to which the amendment is directed.

It appears to me that this is a new program which provides additional unbudgeted emergency funds for the President and which has been projected in addition to a similar program which contained a very large amount of money last year and which is repeated this year. A special assistance program of \$225 million was, as I understand it, appropriated last year to do the same work. This year that same fund carries \$185 million. There is in this new program which is now under discussion \$100 million more, making a total of \$285 million to do the job for which \$225 million was appropriated last year.

It would appear to me that since we already are giving more money than we appropriated last year for the purposes outlined, there would be little justification for an increase of \$55 million as recommended by my good friend from Maryland.

I should like to ask the distinguished chairman of the subcommittee, who is a dedicated and sincere public servant and who has done one of the very finest jobs on this bill that I have seen in all the years I have been in Congress, if there has been justification for this expenditure from the standpoint of actual anticipated needs or expenditures or of what might be expected could be accomplished by this additional expenditure. Please bear in mind this is an expenditure over and above the \$285 million already planned. Then tell us if there is complete justification for the \$285 million which the committee has recommended. What may we expect from this expenditure of money?

Mr. PASSMAN. I might state, Mr. Chairman, that the members of the subcommittee are just a bit embarrassed over this item because you have an unexpended balance of \$3,403,000,000 in the different categories of economic aid. The President can transfer up to 10 percent out of any one of these programs. Also, you have the former names

of many similar programs. You have defense support, development loans, development assistance, and special assistance. This is a brand new one, with a different name. Here is what they gave us to justify the money and I quote from the record of the statement of Hon. Robert G. Barnes, Special Assistant for Mutual Security Coordination, Department of State. He said:

Because the \$200 million appropriation for the contingency fund for the next fiscal year is designed to make it possible to respond to new, unforeseen, and contingent requirements, there are no illustrative programs to back up this request nor any means of making an exact estimate of the funds needed.

This is the quotation and we are just a little bit ashamed that this has been brought out, but we could not explain it otherwise.

Mr. SIKES. Is it not true there is language in the bill providing \$285 million to perform all the emergency requirements that \$225 million was considered adequate for a year ago? Certainly, there will be contingencies and there will be emergencies and the President should have adequate funds with which to meet them, but if we are now giving \$285 million to do the job that only required \$225 million last year; is there any justification for an increase now of another \$55 million?

Mr. PASSMAN. The gentleman's entire statement is correct. You have that money available.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. MILLER of Maryland. May I say in answer to the gentleman's question and it is a very proper one, that the answer is fully set out in the record of the hearings at page 1233. This is a contingency fund and it is new in the budget handling, but not for the programs that were covered by the previous years. If the gentleman will read page 1233, he will see that this does not refer to any specific program that has been presented in the past.

Mr. SIKES. It is impossible to know what is going to be required in the way of emergency funds, but I submit that we already have in this bill \$60 million more than was provided a year ago to meet emergency requirements even though we do not know how or for what the money will be spent. This is simply a blank check.

Therefore, there is no justification to add \$55 million more onto the \$60 million that we have already provided over and above and in addition to last year's appropriation.

Mr. WIGGLESWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree that the change in the accounting setup as between last year and this year is somewhat confusing as the gentleman from Florida points out. But, I have taken some pains to go into this thing and I do not think his premise is a correct premise.

Of the \$255 million which was appropriated last year—(a) for special assistance and (b) for contingencies \$78 million was allocated to special assistance

leaving \$147 million available for contingency purposes.

How much money has been spent against that \$147 million in the fiscal year 1958? The entire \$147 million has been utilized and over and above that we have gone in the red to the tune of \$40 million by borrowing from another fund which could ill afford to lose it.

In other words, in 1958 we utilized a total of \$187 million whereas in 1957 we required \$215 million and in 1956, \$265 million.

This amendment would call for an appropriation of \$155 million in 1959 which is substantially less than what was used in 1958, 1957, or 1956.

It seems to me that a contingency fund with real elasticity in it is absolutely vital under present world conditions.

We have Lebanon on our hands today. We may have some other country tomorrow. This Congress is going to adjourn shortly. The President must have a fund which he can utilize in the event of a vital emergency.

If you want to tie the President's hands, if you want to leave him without sufficient funds to meet such an emergency, if you want to fly in the face of experience, then, of course, you should vote down the amendment offered by the able gentleman from Maryland [Mr. MILLER].

For my part, I think it is of vital importance and I am more than happy to support it.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. TABER. Mr. Chairman, I want to compliment the gentleman from Massachusetts on his statement. I agree with him wholeheartedly. I feel that this amendment should be adopted.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have endeavored not to tax your patience today. But let me state, to guard against misunderstanding, this same item is also included under several other categories of the program. I think it is only fair to the membership that we should point out those items.

There is available under the President's Asian fund a total of \$88,677,000. A large portion of this fund is unobligated, and the committee recommended that any unappropriated funds be carried over. That action was not even requested, but the committee recommended it.

I think you should also take into account that there is a total of approximately \$600 million in the development loan fund that can be used for just about any purpose.

Then there is the development assistance fund, for which you have not made appropriation, but with \$168,211,000 on hand.

And moving to the special assistance fund, there is a total of \$311,288,000. That is for the same type of uses.

Now, they come up now with a brand-new fund. I can only use the statement that was presented to the committee to justify this amount.

I certainly hope the membership will listen to this: The Foreign Affairs Com-

mittee of the House asked only \$100 million for this item. It went to the other body and they increased the amount.

Because the \$200 million appropriation for the contingency fund for the next fiscal year is designed to make it possible to respond to new and unforeseen needs, there are no illustrative programs to back up the request, nor any means of making an exact estimate of funds needed.

It amounts to nothing less than a blank check.

Although we discussed this fund at length, and were critical of the procedure, we backed up the position of the Committee on Foreign Affairs.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. MILLER of Maryland. On page 1235 the statement of the witness was:

However, an appropriation of less than \$200 million may mean the difference between meeting or failing to meet unpredicted challenges to our security in fiscal 1959.

And he goes on to specify why he says that. Now it is not fair to say that there is no testimony on this matter.

Mr. PASSMAN. I, myself, have just been reading, word for word, what the witness said when he came before the committee, which was, in substance, that there has been no program to back up the amount requested for new and unforeseen requirements.

Mr. GARY. Has not the House already voted on this very question in the authorization bill?

Mr. PASSMAN. That is true. This committee was reluctant to recommend any funds, but decided finally, after critical consideration, to go ahead and support our own Committee on Foreign Affairs, in the amount originally requested.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. WIGGLESWORTH. The gentleman has mentioned several other funds which he said could be utilized for unforeseen emergencies.

Mr. PASSMAN. That is correct.

Mr. WIGGLESWORTH. As far as I know, outside of the transfer provisions of the bill, there is not a dollar that can be drawn on outside of the requested contingency fund.

All of the funds which the gentleman has mentioned are fully obligated; or, in one case, lapsed.

It is true the House voted \$100 million in the authorization bill originally. But it also voted \$155 million in the conference report on that bill.

Mr. PASSMAN. Perhaps the gentleman can enlighten me. What is the purpose of the \$185 million under special assistance? For what is that money to be used?

Mr. WIGGLESWORTH. It is all programmed.

Mr. PASSMAN. I thank the gentleman.

There is \$185 million new money. We backed up the Foreign Affairs Committee. If the gentleman will refer to the table he will observe the amount of \$311,288,000.



Mr. WIGGLESWORTH. Is the gentleman referring to the funds for special assistance?

Mr. PASSMAN. There is \$185 million for special assistance.

Mr. WIGGLESWORTH. Is the gentleman referring to the old program.

Mr. PASSMAN. No; no; no; this is new money, in this year's bill.

Mr. WIGGLESWORTH. It is all allocated to definite program.

Mr. PASSMAN. Can it be used for some purpose for which the President might want to use it?

Mr. WIGGLESWORTH. No; except under the normal transfer provisions.

Mr. BUDGE. Mr. Chairman I rise in opposition to the pro forma amendment.

Mr. Chairman, I should first like to deal very briefly with the subject which was under discussion just prior to my taking the floor.

I think it is obvious from the facts in connection with this bill that the President has a great deal of latitude. It appears that he can transfer 10 percent of the funds available to him for mutual assistance to this contingency fund should he so desire.

I read from page 1235 of the committee hearings the following statement. I quote the Department witness:

In fiscal year 1956, \$100 million was available to meet contingencies; in fiscal year 1957, \$200 million was available; and in fiscal 1958, \$147 million was available for such purposes, an amount which we have been forced to supplement by the transfer of \$40 million from military assistance.

The thing that really disturbs me about this particular provision of the bill is that I think it is an abdication of the prerogative and duty of the Congress of the United States to specify the purposes for which funds are to be appropriated and used.

When we give the President of the United States the 10 percent transferability provision we are certainly giving him unusually wide latitude. But when we have a presentation such as this where the Department asks for \$200 million, the House Committee on Foreign Affairs and the House of Representatives working its will approved a figure of \$100 million, which is the amount carried in this appropriation bill. The ICA did not change that appropriation request for \$200 million either when the bill went through the House of Representatives or when it came back from conference. It came back from conference in the amount of \$155 million, and everyone knows that the Department request if it were included in the bill would be subject to a point of order, because it would not be authorized. But they did not come up here and revise the amount of the request to \$155 million which they should have done.

In another item where \$8 million more than they had requested was included in the authorization bill for training the ICA immediately came back to the Congress and included the \$8 million request in this bill, and it is in here. Why did they not do the same thing when the item was decreased?

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield.

Mr. HAYS of Ohio. I agree with the gentleman in what he is saying. I am not in disagreement as to what they should have done, but I would just like to point out that the \$8 million was put in by the members of the conference committee because we had had testimony to the effect that some of the people they were sending out were not doing the job they should have done because they did not know how to do it, had not been trained for it. They did not request the change. This was practically forced onto them. The gentleman is right. When it was pointed out to them they did request the item. I agree they should have changed this request for this other item.

Mr. BUDGE. It seems to me that comity with the Congress would indicate that they should accept the reductions along with the increases granted them by the Committee on Foreign Affairs and by the Congress.

Mr. Chairman, I further wish to call to the attention of the committee the fact that in this bill you have \$60 million more in this item than was granted for the year 1958. By adding the 2 figures, the 185 and the 100 million, you come up with the figure this year of \$285 million. Last year the total for both was \$225 million. When you look at the justification for this appropriation I do not see how we in good conscience can approve the amendment that has been offered.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

(By unanimous consent (at the request of Mr. BUDGE) he was allowed to proceed for 5 additional minutes.)

Mr. BUDGE. Mr. Chairman, under the testimony which was given to the Appropriations Committee how can we tell whether there is any need for this additional \$55 million in the face of the statement of the Department witnesses where they said in so many words:

There are no illustrative programs to back up this request nor any means of making an exact estimate of the funds needed.

Certainly when we have approved the 10 percent transferability in this program, we have given the President all the latitude which he could possibly use to put out 50 fires of the magnitude under consideration in this item and without putting another \$55 million in this item.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. My first point is this, and I am sure the gentleman means to be fair: He is criticizing the witnesses for asking for \$200 million when the authorization was for only \$155 million.

Mr. BUDGE. My criticism is not that if I might reply to the gentleman. My criticism is that when the authorization was reduced from \$200 million to \$155 million the Department should have come up and requested the reduced amount just as they did with the increased amounts.

Mr. MILLER of Maryland. I can understand that except for the fact the record from which I was quoting was made before there was any authoriza-

tion. The testimony of these witnesses was not bucking the decision of the Congress. They were testifying at the time for the request of \$200 million. Therefore, I do not think they should be criticized.

Mr. BUDGE. There is a very easy answer to that. They requested \$8 million dollars for training. That was given in the authorization bill and is exactly, except in reverse, the same thing as this item to which I referred. The answer is quite obvious.

Mr. MILLER of Maryland. Just to keep the record fair, as I tried to point out, these witnesses were not schemers or up to skulduggery. In this case the testimony was delivered before the Congress had acted on the authorization and I do not think there should be any criticism of them.

Mr. BUDGE. I would like to point out to the gentleman from Maryland that I am not criticizing the testimony of the witnesses as it appears in the hearings. I am simply quoting them.

Mr. MILLER of Maryland. Then we are in agreement.

Mr. BUDGE. I am criticizing the action of the ICA in coming up here and requesting the additional amount which was approved in the authorization bill and not requesting the lower amounts which appear in the authorization bill. By not doing so they make it appear that a figure of \$200 million is authorized by law.

Mr. MILLER of Maryland. I want to say one more thing to the gentleman. I do not understand how he feels that the Department could program any unforeseen emergencies. It is true that the \$55 million may not have to be spent, there may be no emergency; but past history has shown that every year there have been emergencies and I do not like the idea of having no money to meet them.

Mr. BUDGE. I think the answer to that is very easy, if I may say so to my friend from Maryland. The committee hearings on page 1233 say this, speaking of this contingency fund, that these funds could be used, for example, to provide "military assistance, defense support, special assistance, or technical cooperation." In other words, they can be used for any of the specified purposes which is in the bill. The amendment is simply adding another \$55 million to the express purposes which you have in the bill where there is already a 10-percent transferability within the discretion of the President of the United States.

Mr. MILLER of Maryland. That is true, but sometimes, when you take 10 percent off of a very important item, it does almost as much harm as if you took it all.

Mr. JUDD. Mr. Chairman, I move to strike out the last word in order to make two brief points.

The first is on this question of the amount authorized by the House for the contingency fund. It is true that the House Committee on Appropriations reported this bill out last Friday morning authorizing only \$100 million for this item. It is also true that a few hours later the House itself by a substantial majority adopted the conference report

authorizing \$155 million. The official vote of the whole House coming after the action of the committee should supersede the action of the committee and the figure it reported out.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. If you are going to cite the action of the House, the House also voted in the beginning to authorize \$100 million, and that was debated and argued and voted on, and the gentleman knows as well as I do that the House accepts conference reports at times with items in them that they are not fond of. But, that does not mean that they accepted this item lock, stock, and barrel.

Mr. JUDD. I said that the RECORD shows that the last action of the House was a big vote in favor of this larger figure.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. The gentleman understands, of course, that there will be another conference between the conferees on this side and those on the other side on this very item.

Mr. JUDD. I am aware of that and will hope for the best.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Indiana.

Mr. DENTON. When this bill was originally in the House, the authorization bill, did you offer an amendment to have the sum increased from \$100 million to \$155 million?

Mr. JUDD. No; I did not. There were several other amendments I would have liked to put in also, but, as you well know, one does not like to go to conference with votes against his proposals.

Second, Mr. Chairman, I want to correct any impression that may have been given that the special assistance fund is more or less unobligated or unprogrammed, and that the President can reach into it for substantial amounts for contingency purposes. The administration asked for \$212 million for the special assistance fund. It has been cut in the appropriation bill to \$185 million, which I believe is too deep when one considers the countries that are to be taken care of out of the fund. Certainly there will be nothing left over for contingencies. The special assistance goes to, among others, the following: West Berlin, Iceland, Ethiopia, Libya, and Morocco, where we have some of our most important air bases in the world; Tunisia, Sudan, Afghanistan, Iraq, Israel, Jordan, Lebanon, Nepal, Burma, Bolivia, Guatemala, Haiti, the Hungarian refugees, the Algerian refugees, and the worldwide malaria eradication program. That is what the special assistance is programmed for. At the committee's figure, it is already, you might say, overdrawn.

Why is assistance to these important countries called special assistance? Because we could not properly put it under military assistance or under defense support which is economic assistance to

countries to which we are also giving military assistance, and for military purposes. We are not giving this special assistance to those countries or areas because they have substantial defense forces which we are trying to build up; but they are vitally important for other reasons, including their geographical location.

We are trying to give those countries a better chance to maintain their independence, or their internal stability, or their alignment with the Free World. They need economic more than military aid. It would seem to me that just reading the list of them and realizing their enormous strategic importance in various parts of the world, as well as other special considerations in some cases, would make clear why there are no extra funds in this category to be drawn upon for the President's contingency fund.

Mr. WILSON of Indiana. Mr. Chairman, I move to strike out the last word.

I am much opposed to this amendment, just as I am opposed to many other millions of dollars in this bill which may be used to bribe or pay off blackmail to some of these countries we have built up economically and militarily. I want to emphasize one point, and I want you to keep this in mind. If we continue on this course of building these countries up economically and militarily, one of these days the economic strength of our country will not be sufficient to pay off the bribes and the blackmail requirements of these countries we are thusly keeping friendly to us. Let us keep that in mind.

I repeat, we have already been guilty of paying off bribes in countries we have built up for Free World security. How much longer can we carry this burden? How long before they desert us or betray us after our money runs out?

I have heard the words "our friends" so often here this afternoon. I have been trying to think of an appropriate definition, and the best I can think of is, parasite.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. MILLER].

The question was taken; and on a division (demanded by Mr. MILLER of Maryland) there were—ayes 55, noes 114.

So the amendment was rejected.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time so that I may ask the chairman of the committee one or two questions. Does his bill reduce the contribution to Formosa?

Mr. PASSMAN. That is a very difficult question to answer, I may say, for this reason. Is the gentleman speaking of the defense support item only?

Mr. O'HARA of Illinois. Any contribution that we make to Formosa. And I might pinpoint my interest. In considering the contribution, did the gentleman's committee consider the attack upon our Embassy and the lack of policing at that time?

Mr. PASSMAN. I am afraid I should have to reply to the question this way, that our committee is not a policymaking

committee. We leave it up to the great Committee on Foreign Affairs and the other legislative committees to establish policy. We consider only the amount of money requested.

Mr. O'HARA of Illinois. Did the gentleman's committee receive any testimony on the lack of protection of our Embassy in Formosa?

Mr. PASSMAN. I am of the opinion that our committee would not have discussed that because, again, that is a matter of policy and the question would be up to the policymaking committee. We only look at the request for appropriations and try to decide on the amount needed and then make our recommendations. We try to stay out of the question of policy.

Mr. O'HARA of Illinois. I appreciate the gentleman's conscientious avoidance of anything which would have the appearance of trespassing in matters of policy. The gentleman, of course, does not attempt to determine questions of foreign policy, but nevertheless foreign policy in its administration is affected by the appropriations that are made for that administration. I happen to know how hard the gentleman from Louisiana has worked with his subcommittee because he and I live at the same hotel and always very early in the morning he is going to work and late in the evening has been coming in for a bite to eat and then going back to his office to work until the wee small hours. I assume that the gentleman has gone very thoroughly into every phase of the mutual assistance program. For instance, I notice on page 1056 of the hearings after Mr. GARY had asked the question concerning Chiang Kai-shek forces in Formosa that there is a notation to the effect that the discussion is off the record. I do not wish the gentleman to divulge any information that was contained in testimony that is off the record. The reason for my question was to ascertain if there had been any discussion that is not off the record that bore upon the attack upon our Embassy in Formosa at a time when the Generalissimo's son was charged with responsibility over the policing force. At the time I had read something in the newspapers about this circumstance, and I was very unhappy about it. I had wondered whether it had been discussed by the gentleman's subcommittee. As I have not had time to go over all the 1,566 pages in the hearings, I thought the gentleman would direct me to any printed testimony on the subject if there had indeed been such discussion. This incident, as I recall, occurred about the time, or perhaps shortly afterward of some mob disorders in Japan, and these might have been minimized in the popular mind by the passage of time had it not been for the mob attack upon our Vice President in Peru. There are too many of these mob attacks. We were told in the newspapers that the disturbance in Peru reached a high degree of frenzy largely because there was not adequate police protection. This lack of adequate police protection, we were told in the newspapers, was in large part responsible for the very



serious mob attack upon our Embassy in Formosa, and that unfortunately the Generalissimo's son was in charge of the police. That was something that came as a shock to the American people.

I do not think that anyone will contend, and certainly it is not the thought with which I wish to be associated, that the lack of adequate police protection in Formosa was intended. But good intentions are not a sufficient protection against mob violence on the dignity, the honor, the security and the possessions of the United States in lands for whose people we are doing so much and the Governments of which are bound to us by common aspirations and interests. It is always unfortunate when people become careless and too often inadvertence is responsible for the failure to perform a duty of friendship. I am confident that the unfortunate incident in Formosa, arising from lack of adequate police protection, came about from nothing more serious than carelessness or inadvertence, but I do think that it is proper to mention it here when we are discussing the mutual assistance program in order that our friends may know that we expect of them the utmost diligence in protecting as well as respecting our honor, our dignity and our possessions, especially when among those possessions are documents and papers classified in character. I do not know that the subcommittee has discussed the Formosa incident and if it had done so and the discussion was off the record, I would not wish my friend from Louisiana to make any comment that would be violative of confidences. I presume there are many matters that do come up in the executive sessions of the subcommittee that to a certain extent affect foreign policy and also have proper relation to appropriations.

Mr. PASSMAN. We do discuss those matters off the record sometimes.

Mr. O'HARA of Illinois. I am not passing now on the recommendations of the gentleman's subcommittee or the merits of the bill under discussion, but I think the gentleman from Louisiana has done a tremendous job according to his convictions. I have seen him day after day, week after week while he has been working with his committee. I do not think any Member in this Congress ever has put in more hours and harder work on a job assigned him than the gentleman from Louisiana. I do not always agree with him, and certainly we are not in agreement on the development loan fund, which I vision as an instrumentality which experience will prove as sound as the Export-Import Bank, but I do admire his industry, his perseverance, his sincerity and his dedication to the things in which he believes.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the distinguished gentleman from New York, the ranking minority member of the great Appropriations Committee.

Mr. TABER. The gentleman asked whether or not the amount for Taiwan, or Formosa, would be reduced. The figure upon which the original allotments were made was \$835 million. The figure

presented in the bill is \$700 million. This means that all of the countries that are going to receive benefits, including Taiwan, or Formosa, are going to be reduced.

Mr. O'HARA of Illinois. That is in a very vital area.

Mr. PASSMAN. We in our committee do not earmark these funds. The President can allocate all of them to one country or he can transfer them, like the transfer to Spain. They had some extra money, and they wanted to give it to—what is this little summer resort in the Pacific? Bermuda? They wanted to take money out of that and give it to Bermuda for a bridge. We did not do that. We do not earmark it to the President, and he handles it any way he wants.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Just listening to the remarks of the distinguished chairman of the subcommittee, I think what he said gives ample proof that allocations of appropriations should be voted by the Congress on a country-by-country basis.

This would allow Members of Congress to vote the necessary and to reject the impractical. In this I know that the very able and well-informed gentleman from Illinois [Mr. O'HARA] has taken a firm position as a member of the Subcommittee on Foreign Affairs which made an intensive study of the question last year and so recommended to Congress in its report of inspection of the Middle East and Africa.

Mr. O'HARA of Illinois. I would say the gentleman from Ohio, for whom I hold a warm affection and whose analysis are keen and penetrating, is expressing the thought of many members of the Foreign Affairs Committee. Certainly I agree with him that appropriations for this program should be on a country-by-country basis and to that happy end we expect a great contribution to be made by the on-the-spot investigations and studies of the watch-dog subcommittee shortly to be named by the acting chairman of the Committee on Foreign Affairs.

Mr. PASSMAN. I should like to transfer the Bermuda Islands from the Pacific back to the Atlantic, if the gentleman will permit me to do that.

Mr. O'HARA of Illinois. I gladly would permit my good friend to do anything he wished, but I have only 5 seconds remaining, too short a period for the transfer he is suggesting.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the place is passed in the bill where an amendment might have been offered to restore the \$625 million for the Development Loan Fund. That part of the bill came up right after the amendment on defense support was defeated, and while a discussion was going on as to the nature of the amendment to be offered, the time for offering it had passed. It may be just as well that no such amendment should be offered, in view of the strategic decisions taken by the Democratic leadership in the House.

I cannot let this bill go to the other body, however, without saying something about this fund. As of today, the Development Loan Fund has approved \$228,100,000 in loans. They have earmarked \$39,300,000. That is a total of \$267,400,000. That leaves \$32,600,000 available. Their staff has approved, subject to review by the Board of the Development Loan Fund, which went into effect under the new law yesterday, \$70 million more. So that the fund will be out of business, as far as having any further money to program, unless and until this bill goes through. If it goes through on the \$300-million basis, they will be out of business 6 months from now, for in the last 6 months they have committed \$300 million. They have \$1,601,000,000 in applications for loans.

Just a few minutes ago there was delivered to me a report entitled, "Sino-Soviet Economic Offensive in the Less Developed Countries," a booklet from the State Department, 111 pages long, describing the economic warfare carried on by the Soviets. It is pointed out that economic aid to the satellites in the last 2 years from the Soviets amounted to about \$1,200,000,000. That is minus Communist China. As has been mentioned here before, there has been a total of aid for \$1,947,000,000 outside the Iron Curtain, of which economic aid is \$1,569,000,000 and the rest is military.

Here are the countries receiving Soviet aid: Egypt, Syria, Turkey, Yemen, Afghanistan, Cambodia, Ceylon, India, Indonesia, Nepal, Iceland, Yugoslavia, and then some in Latin-America. In 1955 Nikita Khrushchev said to a group of United States Congressmen, and I am quoting Khrushchev:

We value trade least for economic reasons and most for political purposes.

This is the kind of warfare that is going to go on from now on. If we can arrange to carry on that warfare with loans instead of grants, we may be able to win in the struggle. The list of countries that I have mentioned shows you that the countries that receive aid from us also have some programs with the Soviets. We cannot be in the position of letting these countries bid for support from us or from the Soviets. We have to figure out ways, however, so that countries that want to remain independent and stable can do so, even though they may accept some aid from the Soviets. That is the function of this development loan fund. I hope before we wind up this session of the Congress that we will take action so that we will not have it going out of business for want of funds along about the first of the year.

Mr. McCARTHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it was my understanding that a motion to restore the full \$625 million Development Loan Fund would be made during the course of this debate. The gentleman from Ohio has explained why that has not taken place. I suggest it might be included in the motion to recommit. If we really do accept as a fact that we are involved as a part of the cold war in an economic war with the Communists, then trade is not sufficient and aid is not sufficient, but we need a

three-pronged economic attack which includes what is proposed and what is sought through the economic development-loan program, namely, a program for strengthening the internal economies of the nations that are our friends. The Committee on Foreign Affairs has approved \$625 million for this program. We should at least appropriate that amount here today. We must realize that appropriations with reference to foreign and international programs are not of the same nature as appropriations for domestic programs. We can examine domestic programs carefully and we can review them, but in this case the appropriation is in the nature of an authorization and the authorization is in the nature of an appropriation and both of them relate to fundamental policies which cannot always be carefully programmed. A second consideration which I think is important is that which arises from the argument that we should leave some room for bargaining with the other body. This, it seems to me, is a strange argument to hear made in the House of Representatives because the House has the primary and constitutional responsibility to make appropriations. It is my opinion that the House should take a firm stand for what the House thinks is necessary. We should not accept the argument that we ought to go somewhat below a certain figure because the other body may force us to come somewhat higher. It seems to me these two things, really, the integrity of the House and its primary responsibility for appropriations and, second, the consideration of the very nature of our economic and political conflict with the Soviet Union are involved in this debate and this action.

Mr. MEADER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I oppose amendments to increase the foreign aid appropriation.

Each year since the beginning of my four terms of service in this body I have voted for foreign aid authorization and appropriations bills. But just as consistently I have supported all reasonable proposals to reduce the amounts requested by the executive branch because I believe the budget requests, both under Democratic and Republican administrations, consistently have been excessive. That undoubtedly is due to the fact that the bureaucracy administering foreign aid which prepares the estimates has remained essentially the same under differing administrations, under a succession of administrators and under a variety of labels.

I have supported the foreign aid program in the belief that it is sound national policy to assist foreign countries in their efforts to resist military aggression and subversive infiltration of international Communist imperialism.

It is clear to me that this important objective can be achieved through helping free foreign countries which have the will to do so to achieve such economic and political stability that they will have the internal strength to resist, in alliance with others in the Free World, the onslaught of the Communist movement.

As I view it, the foreign aid program, if it is sound and if it is well administered, should work itself out of a job. As internal stability is achieved, expenditures should be reduced and ultimately eliminated. The program should taper off. To come in here year after year for essentially the same huge amounts is an admission of failure. To propose that the program be fastened on us permanently is to advance a completely new and different purpose.

The gentleman from Louisiana [Mr. PASSMAN] and the gentleman from Ohio [Mr. VORVY] yesterday engaged in a rather heated controversy. Both asked us to follow their leadership and to have faith in their expert knowledge of the subject based on their long and penetrating study. Both claimed to rest their position on fact and realities, implying, if not directly saying so, that the other's position was based on generalities and abstractions.

The truth of the matter is that neither the gentleman from Louisiana [Mr. PASSMAN] nor the gentleman from Ohio [Mr. VORVY] nor anyone else can base his position as to the correct amount for this program on fact or reality because the program is not presented in that fashion. The witnesses from the executive branch advocating these expenditures studiously avoid factual presentations.

As a member of the International Operations Subcommittee of the Committee on Government Operations for 6 years I have been trying to find out what the International Cooperation Administration bureaucracy actually does with the money after we appropriate it and how its expenditure is related to our national policy or to the presentation made to the Congress. It has not been easy, largely because the International Cooperation Administration consistently and successfully has operated in the clouds of abstractions, generalities, and imponderables. They present illustrative budget requests. They determine levels of defense support by means of occult guidance. Programs are evolved out of political urgency.

Small wonder the gentleman from Louisiana and the gentleman from Ohio cannot agree. They have no better chance of reaching a sound foundation of fact than the medieval theologians who hotly debated the number of angels which could stand on the point of a pin.

Mr. Chairman, our International Operations Subcommittee, under the able chairmanship of the gentleman from Virginia [Mr. HARDY], has repeatedly called attention to the loose and ambiguous phraseology employed by the ICA and State Department witnesses in telling the Congress what they plan to do to carry out the foreign-aid program.

This vagueness results not only in confusion and lack of clear understanding on the part of the Foreign Affairs and Appropriations Committees and the Congress itself, but also renders almost impossible an effective appraisal of performance by the International Operations Subcommittee in discharging its duty to study foreign-aid operations with a view to determining their economy and efficiency. Since no clear commitments

are made to the Congress, it is difficult to ascertain whether performance has fulfilled representations and promises made.

The Hardy committee, in its report on United States aid operations in Iran, filed with the House January 28, 1957, called the attention of the House to the deficiencies not only of administration, but in the planning of programs and presenting them to the Congress.

For example in conclusion No. 4 on page 3 of House Report No. 10, 85th Congress, 1st session, the committee said:

Amounts requested for United States aid to Iran seem to have been picked out of the air. There is no evidence that they were based on advance study of what the Iranian economy needed, the amount it could absorb, or programs which could be intelligently administered by the United States personnel available at the time to expend the funds.

On May 15, 1957, after extensive hearings, the committee filed House Report No. 449, 85th Congress, 1st session, entitled "Review of the Budget Formulation and Presentation Practices of the International Cooperation Administration," in which the committee discussed at length the inadequacy of ICA's budget presentation. Among the committee's conclusions found on pages 16, 17, and 18 of that report are the following:

1. The illustrative method of budget presentation does not bind ICA to carry out any of the activities proposed to the Congress. In fact, it permits the agency complete discretion in the use of funds, free of the restraints, checks, and balances generally imposed upon the executive branch. It does not provide the Congress with a full understanding of what the agency is doing, what it has done, and what it intends to do.

6. No clear and complete explanation can be found in the budget presentation, nor anywhere in the records of ICA, of the considerations that entered into the determination of the levels of aid proposed for particular countries. There is no practicable way to reconstruct this information.

8. Substantial dollar gaps exist between the amounts illustratively proposed for individual country programs and the amounts actually expended within the fiscal year for which appropriated; e. g., the total variance exceeded 30 percent for fiscal year 1956. This recurring situation raises a considerable question as to the validity of the levels of aid proposed.

9. The budget presentation does not include individual country data on stockpiled funds or on the pipeline of unshipped commodities. The Congress is not informed in the budget documents how long these funds have been available, nor the extent to which they have been carried over from 1 year's appropriation to another.

11. ICA consistently asks for and receives more money than it has ever been able to use in the year for which requested. This practice has invited the hasty, last-minute obligation of unused funds, which precludes their return to the Treasury.

On February 27, 1958, the committee specifically discussed defense support funds in House Report No. 1374, 85th Congress, 2d session, entitled "Use of Defense Support Funds for Economic



and Political Purposes." Among the committee's conclusions are the following:

1. The definition of "defense support," the largest single element in the mutual security program other than "military assistance," is interpreted so broadly by the executive branch that it is virtually impossible to determine whether or not an expenditure made under it is in accordance with legislative intent.

4. Although a pretense is made that the amount of aid funds programed for each country is determined by expert economic judgment, the subcommittee has found no evidence that this is the case. The annual Congressional presentation books for the mutual security budget contain no explanation, nor has any foreign aid administrator ever been willing or able to explain to this subcommittee how and why any particular level of aid has been determined.

The committee has just recently, on June 26, 1958, filed House Report No. 1012, 85th Congress, 2d session, on foreign aid construction projects where inadequacies of planning and administration were found to exist in specific highway construction projects in Cambodia and Thailand. The committee concluded:

The administration of major construction projects in the foreign aid program, by the International Cooperation Administration, has been inadequate, indifferent, and incompetent.

Deficiencies include—

1. Inadequate advance planning.
2. Defective standards and procedures for the award and administration of contracts.
3. Indifference to conflicts of interest.
4. Incompetent supervision of the procurement of construction equipment.
5. Poor coordination between field missions and Washington and among divisions in Washington having responsibility with respect to construction projects.
6. Excessive reliance on political urgency to excuse deviations from sound procedures.

As a consequence, achievement of the objectives of the foreign aid program has been impeded, the cost to United States taxpayers has been increased, and the dignity and prestige of the United States Government abroad have suffered.

The committee also called attention to the growing inclination of officials to justify expenditures on the grounds of political urgency, as follows:

6. Excessive reliance on "political urgency" to excuse deviations from sound procedures:

- (a) The alleged justification for initiating projects without adequate prior planning is almost always "political urgency."

- (b) The alleged justification for almost any deviation from sound procedure is "political urgency," as this subcommittee and the General Accounting Office have learned on numerous occasions.

- (c) The ICA Deputy Director for Technical Services and his deputy exceeded their authority and acted with impropriety when they invaded the province of the Department of State and invited the Director of USOM/Thailand to develop a "political" basis for justifying the award of a contract to an engineering firm of the mission director's choice, whose proposal had been eliminated in the normal contractual process on the bases of high fees and overall costs.

Mr. Chairman, the road in Cambodia, in my judgment, not only was wastefully and incompetently administered by ICA, but I am satisfied that a careful preliminary study would have indicated

that there was no justification for the project in the first place. On this point I interrogated the ICA Mission Director in Cambodia, Alvin E. Roseman, during the subcommittee's hearings in Phnom Penh last November. Mr. Roseman testified:

The principal justification was a political justification. . . . I would not justify this project basically as an economic proposal. If you asked me if I would spend \$25 million of the taxpayers' money solely on this economic ground, I would say "No."

Mr. Chairman, apparently the only way effectively to compel the ICA bureaucracy to do a better job in spending money and in accomplishing the important objectives of the foreign-aid program is to cut down the amount of money they have to spend. As far as I can see from each successive inquiry of our subcommittee, the conclusions and recommendations in our reports, as well as the admonitions of other committees, Members of the Congress, and prominent citizens, are completely ignored by ICA administrators who blithely and in cavalier fashion continue their freewheeling squandering of public funds. Cutting down these funds might conceivably have these beneficial results:

First, ICA might, as they should, seek to promote economic development abroad through the investment of private capital rather than spending public funds. This, as I view it, would be the most effective way of accomplishing the worthwhile objectives of the program.

Second, ICA might require, as they should, better preliminary planning on the part of the recipient government and a larger contribution to the cost by the recipient government on projects and programs they themselves consider of such value as to justify sacrifices on their part to achieve them.

Third, ICA then might be in a much better position to present to the Congress tangible proposals, with the studies, the facts, and the arguments to justify them. The Congress could then act upon factual knowledge rather than upon the nebulous, vague generalities which are all that Congress has been given in the past in spite of repeated efforts of its committees to obtain facts upon which, alone, intelligent judgment can be based.

Fourth, Obviously, the solvency of our Government would benefit from eliminating the waste and extravagance resulting from excessive appropriations.

Mr. Chairman, I think it is time the Congress served notice on the ICA and State Department bureaucracies that it is the judgment of the Congress that this program has been in existence sufficiently long so that its objectives of helping other countries to achieve internal economic stability should come into fruition; that the program in the future will be radically reduced in successive years; and that funds will be authorized and appropriated only when those asserting the need therefor by clear and persuasive evidence sustain the burden of proof that the programs and expenditures they advocate are worthwhile and will demonstrably contribute to our security and foreign policy interests.

In my judgment, the \$3 billion of new money provided in this bill is ample. I am inclined to believe on the basis of inquiries made by our International Operations Subcommittee that an even smaller sum intelligently and efficiently administered would go further toward achieving the objectives of the mutual assistance program. Nevertheless, I intend to vote for the bill even if no further reductions are made and shall oppose efforts to increase the appropriations.

I yield back the remainder of my time. Mr. PASSMAN. Mr. Chairman, I wonder if we cannot reach some agreement as to time for debate on this bill.

I ask unanimous consent, Mr. Chairman, that all debate on the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. PASSMAN]?

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, how much will that give each of us?

The CHAIRMAN. The Chair observes 6 Members standing.

Is there objection to the request?

There was no objection.

The CHAIRMAN. Permit the Chair to ask the gentleman from Louisiana if he suggests that the bill itself be read, or does he desire to request that the remainder of the bill be considered as read and open to amendment at any point?

Mr. PASSMAN. It was my understanding that the gentleman from New York [Mr. TABER] asked in the beginning that the bill be read, and I think we should read the bill.

The CHAIRMAN. The gentleman from West Virginia [Mr. STAGGERS] is recognized.

Mr. STAGGERS. Mr. Chairman, I have been listening to the debate with a great deal of interest, as we do each year. I am going to vote for the bill, but I would like to offer a suggestion. I am going to vote for the bill reluctantly, because of the unemployed people I have in my District. They just cannot see sending a great deal of money abroad when they do not have things to eat in their own homes, or money to buy things for their children.

The suggestion I would like to make is this, that in my District, at Morgantown, W. Va., we have a large plant called the Morgantown Ordnance Plant that normally employs about a thousand people. At the end of last month it closed down two sections of the plant. And by November the people who now have it leased will be gone. The plant will be closed down and abandoned. It belongs to the United States Government. It originally cost around \$75 million and it today would cost \$150 million.

This plant is located in a labor distress area. When it is closed down it is going to add insult to injury.

My suggestion is that the Government, which already owns the plant, convert the plant to produce some product that can be used abroad, that can be used to help strengthen our allies, and give our own people employment, at least a thousand people there; or even 500 or any amount would be helpful. We would

make our people happy and certainly would help other people abroad.

But no, we are going to tax those people who are unemployed and others to help send money abroad to spend so that people abroad can use our products.

They produce in this plant at the present time methanol, anhydrous ammonia, hexamine, and coke. Some of it could be used abroad. Right after the second world war the Heyden Chemical Company stepped in and kept the plant running after Du Pont moved out, they produced fertilizer which was shipped to Germany and Japan as part of our program of rehabilitation of those countries.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. HOFFMAN. The gentleman is surely to be commended for trying to take care of his own people, but does not the gentleman realize that he is way behind the times? We cannot do it until the gentleman from Minnesota and these other fellows get everybody else in the world taken care of. I commend the gentleman from West Virginia for trying.

Mr. STAGGERS. I thank the gentleman from Michigan.

I will say this, in practically every Congressional District in America we could find some way of utilizing existing industries for the production of things that could be used abroad.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, we have heard a great deal yesterday and today about the cold war. I wonder who is really interested in fighting the cold war. Why, if we are fighting a cold war against communism should we help in the construction in Russia of the biggest tire plant outside of the United States? Why should we help build it? Is there anything more strategic than rubber?

I ask again if we are fighting a cold war, why are we engaged with the British in building this big tire plant in Russia?

Now, with respect to funds for the Development Loan Corporation, I noticed two or three weeks ago that the Ford Motor Company bought 222,000 shares of capital stock in the Simca Motor Company in France. The same report states that the Ford Motor Company has been guaranteed by the State Department against expropriation of their investment in the Simca motor works in France up to \$3,500,000 or \$4,000,000. The Ford Motor Company is also guaranteed convertibility of French currency into dollars up to \$7 million. My question is, Is this part of the Development Loan Fund program?

Can the chairman of the subcommittee tell me whether any of the fund is used or could be used for guarantees to such an allegedly free enterprise organization as the Ford Motor Company?

Mr. PASSMAN. I may state to the distinguished gentleman from Iowa that this program is rather liberal. It is too early to determine just what would be available for loan.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Alabama.

Mr. ANDREWS. The Congress is not consulted on those loans. The corporation is all powerful. It can make any loan it sees fit to make.

Mr. GROSS. Is the gentleman saying that these funds can be used to guarantee the Ford Motor Company's investment in France to manufacture a motor car they are going to ship in here, Ford being one of the great advocates of free trade?

Mr. PASSMAN. It is for undeveloped countries.

The Clerk read as follows:

SEC. 105. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

Mr. CANFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANFIELD: On page 7, after line 2, insert a new section as follows:

"SEC. 106. None of the funds provided in this act shall be used to establish textile processing plants in any foreign country."

Mr. CANFIELD. Mr. Chairman, it is my understanding that the distinguished gentleman from Louisiana [Mr. PASSMAN], and the distinguished gentleman from New York [Mr. TABER], are prepared to accept this amendment. I have a good speech to document the case, and am prepared to deliver it.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New York.

Mr. TABER. I would say that as far as I am concerned, I would accept it.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I am not in a position to speak for each member of the subcommittee on this side of the aisle on this question; but so far as my personal position is concerned, I am agreeable to accepting the amendment.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Is there not a great deal of danger, if this amendment is adopted, that it will seriously interfere with the Reciprocal Trade Agreements

Act which we voted here to extend? I am sure the gentleman would not want to do anything to interfere with that.

Mr. CANFIELD. I cannot see that. I cannot agree with the gentleman. This is a wholesome, all-American amendment.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Texas.

Mr. BURLESON. Mr. Chairman, let me assure the gentleman that I am most sympathetic to the purpose of his amendment.

On the other hand, I would feel that consideration should be given to numerous other industries suffering from foreign imports. For instance foreign oil and oil products are causing irreparable injury to the independent oil producer of this country. The domestic industry pays its share of the tax burden and no tax money from any source should go toward the development of any pipeline or refinery development in any foreign country.

Now, under these circumstances I would like positive assurance that no funds contained in this legislation would be used to further this damaging situation.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Louisiana.

Mr. BOGGS. Maybe we can legislate by two members of the subcommittee adopting an amendment, although I do not quite understand this way of doing business. I would like to have an explanation of this amendment.

Mr. CANFIELD. All right. The gentleman will have it.

Mr. Chairman, yesterday, it will be recalled, the distinguished gentleman from Louisiana read excerpts from a letter written by the ICA, Department of State, to the American Cotton Manufacturers Institute. In that letter Mr. Nathaniel Rafier, speaking for the ICA, told the institute that the ICA was prepared to establish textile plants in Indonesia. Among other things he said that:

ICA was set to make loans from its new development loan fund and to insure such investments against the political risks of expropriation, inconvertibility of currency, war damage, etc.

Further he said and I quote:

We might also be able to finance the installation of public facilities such as power, transportation, etc. \* \* \* These and other possible means of ICA assistance could be discussed in detail with any of your members who may be interested.

Now, Mr. Chairman, the American textile industry is sick. Many mills have been liquidated in recent months. Unemployment is rife. Adoption of my amendment will be therapeutic. It may help the patient to sit up and I relate it here only to textiles, because the ICA letter was addressed to this industry alone.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the amendment be again reported.



The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The amendment was again reported.

Mr. WHITENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I commend the gentleman from New Jersey for having offered this amendment and the chairman of the subcommittee for having accepted it insofar as he was personally concerned.

As the gentleman from New Jersey has well said, the textile industry in this country is a sick industry. In my own particular Congressional District we have 154 textile concerns, some of which own as many as 14 plants. So, our people are gravely concerned about what is happening in the industry.

Let me give you briefly some figures on textile employment. According to the Bureau of Labor Statistics in February 1951 there were 1,359,000 people employed in the textile industry. In June of 1957 this had dropped to 1,004,000, or a total loss of 355,000 jobs. Just a few days ago one of the newspapers in my District carried the headline on the front page reporting that 30 percent of the employable textile people in that community, which has several textile plants, were out of work.

Now, in this country of ours between 1952 and 1957 we had a loss of 2 million spindles in place in textile plants, but during 1 year, from July 31, 1956, to July 31, 1957, in the total world spindleage we found an increase from 129 million spindles to 131 million spindles, according to the International Federation of Cotton and Allied Textile Industries.

Mr. Chairman, I am a little surprised at the reference to reciprocal trade which was made a few moments ago because it appears that there is some notion that true reciprocal trade is not accomplished unless we permit the free shipment of foreign-made products into this country, and go one step further and use the taxpayers' money of this country to build those plants in foreign countries in order that they may manufacture and ship their products into the United States and put our people out of work. This is the first time that there has been tangible proof that reciprocal trade is an adjunct of foreign aid.

This is a serious matter with the working people in textile-producing areas of this country.

I believe that my District is perhaps the leading textile district in this Nation. With 227,000 people who work in textile plants in North Carolina concerned about the future of their own positions, and the future of their own families economically. I think it is time for us to accept the sort of proposition which we have here in the form of this amendment. It is, as the gentleman from New Jersey has said, an all-American amendment.

Mr. FLYNT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Chairman, I support the amendment offered by the gentleman from New Jersey and I wish to associate myself with the remarks of the author of the amendment and the remarks of the gentleman from North Carolina [Mr. WHITENER].

It is unbelievable to me that the principal agency operating with funds authorized by this appropriation bill not only would, but actually has sought to encourage the building of plants and industries abroad to compete directly with an American industry which is already suffering and suffering badly.

The amendment by the gentleman from New Jersey would prohibit the expenditure of any funds appropriated under this bill for the building, construction and establishment of any textile manufacturing plants with any of the funds made available under the provisions of this bill.

This amendment, and the prohibitions which it would include in the bill, are both sound and reasonable. It is foolish almost to the point of being suicidal from the standpoint of an overall national economy to permit the use of funds appropriated in a mutual security appropriation bill to establish competitive counterparts for any industry in the United States, especially an industry which is economically sick and one which is in a depressed condition.

The question has been raised and undoubtedly will be raised again, as to why the textile industry is being singled out in this amendment, or worded another way—opponents of this amendment might inquire, "why not include a prohibition against the establishment of any industry which would compete with American counterparts?"

In the first place, I would agree that none should be so established, but let me primarily answer why the textile industry is the only one included in the terms of this proposed amendment.

It has already been called to the attention of this committee that one Mr. Nathaniel Rafier, an official of the International Cooperation Administration, has extended open invitations to owners of textile mills and to any one interested in establishing a textile mill to apply for ICA funds for that purpose with a reasonable advance assurance that such an application would be favorably acted upon. I would like to quote from a letter signed by Mr. Rafier, which letter was addressed to the American Cotton Manufacturers Institute which reads as follows:

Confirming my comments of this morning, I wish to reiterate that ICA is prepared to render many forms of assistance to any one of more of your members who may be interested in establishing textile plants in Indonesia. If any one of them are interested in such an investment, we believe it would be preferable for the investment to be in the form of a joint venture with Indonesians so far as the equity is concerned.

ICA would be prepared to make loans from its new Development Loan Fund. We would also be prepared to insure such investments against the political risks of expropriation, inconvertibility of currency, and war damage. Furthermore, we could furnish technical assistance by financing on-the-job training in Indonesia or training

here in America for Indonesians in technical and managerial skills.

We might also be able to finance the installation of public facilities such as power, transportation, etc., if not otherwise available near desirable plant sites. These and other possible means of ICA assistance could be discussed in detail with any of your members who may be interested.

In view of that, is it any wonder that those of us who live in Districts where textile manufacturing plays an important role in the economy of our Districts and region should feel that this amendment is necessary.

Mr. Chairman, such an amendment is necessary, and it must be made crystal clear to those who administer the International Cooperation Administration and spend mutual security funds that the Congress of the United States will not tolerate such unwarranted abuse of administrative power.

Mr. Chairman, surely Mr. Rafier did not realize the full impact of what he said, because his statement amounts to an invitation to American textile mill owners to abandon their domestic operations, to force their employees on the rolls of the unemployed and immediately begin operations abroad under the most favorable conditions. Bear in mind, Mr. Chairman, that these most favorable conditions include favorable tax treatment, cheap labor inducements, insurance against naturalization by the government of the country in which such new plant would be located. In addition the International Cooperation promises to finance the installation of public facilities such as power, transportation and other facilities normally furnished by the community of which such a new plant would become a part. It is reasonable to assume that in order to induce owners of American industry to relocate abroad necessary housing for employees would be constructed. Streets, sidewalks and highways would be paved. Playgrounds and parks would be built. Possibly shopping centers would be constructed, as well as schools which the children of Indonesian employees might attend.

All of this, Mr. Chairman, while American employees in the abandoned American mills would go on unemployment compensation or on relief or seek to obtain lesser employment in an industry or trade different from that for which they are well trained and in which they are efficient employees. For every American displaced from his normal employment by such action, he, his wife and his children would suffer and suffer badly. And for what? For the further sacrifice of the jobs of American employees on the altar of one-world ideology.

Mr. Chairman, I have said before, I repeat now and I expect to repeat many times in the future that I believe that anything that is American is worth protecting and preserving. That applies to our form of government and our way of life, and, Mr. Chairman, it applies equally to American industry and to the continued employment of those men and women who are engaged in these critically situated industries.

I support the amendment offered by the gentleman from New Jersey, and I will support that and any similar amendment which will seek to protect American industry and the jobs of American men and women from the treacherous onslaughts of one-world dreamers whose final objective seems to be the destruction of everything that is American and its replacement by either a communistic or a one-world concept.

Mr. HENDERSON. Mr. Chairman, once again we have before us an appropriation bill to provide funds for mutual security, or foreign aid as it is more popularly called. I have listened to the debate this year and in the 3 years which preceded it in an effort to find some reason, some compelling reason, why I should support legislation of this magnitude and why I should recommend to my constituents in southeastern Ohio that this legislation should also receive their support. I have conscientiously endeavored to find a justification for increasing the debt obligation of the United States by an additional three or four billion dollars in order to provide funds for other nations—to provide funds to keep more than 40,000 people employed on the Government payroll—to provide funds for aid to some nations committed to the Communist cause—to provide funds to finance practices in some other nations which we would not permit in our own.

Mr. Chairman, the shocking thing to me is that so many of my colleagues are willing to provide this assistance in such a wholesale fashion in the face of clear and convincing proof of wasted, excessive, unnecessary, and unwanted programs. What is wrong with a little restraint? We are witnessing here on the floor of this House, hysterical insistence upon continuing on a broad scale a program which is not only costing us borrowed money upon which we, as taxpayers, will pay interest for years to come, but also, which is being administered in such a way as to destroy our own industries by providing financing for foreign entry into industrial fields in direct competition with industries in this Nation which are already depressed.

Much has been said concerning the invitation to establish textile plants abroad, to compete by use of underpaid labor with industries in this Nation which have had their backs to the wall for several years. The invitation to the textile industry is only one of several industries so threatened. We have recently passed an extension of the Reciprocal Trade Act in the House which, if concurred in by the Senate, will permit those same industries, once they have been established in foreign countries with American money, to ship the products back into this country with ever-reduced tariffs, thereby multiplying the damage being done to American industry.

Even though the foreign-aid program were doing all that its proponents claim in assisting downtrodden nations, in showing them the path to democratic government, and in assisting them to assist in defending us, we cannot escape the fact that its effect upon our own

Nation is something less than wholesome. A program such as this cannot hope to be one which sets an example of economy in operation since it has as its purpose the wholesale spreading of dollars and goods throughout the world. The more that is spent, according to the proponents, the more good is being done. There is a contagiousness about a program of this type. Its practices, its excesses, its very existence are being used by taxpayers, Members of Congress, and bureaucrats alike as an excuse for similar excesses in every walk of governmental life, in every phase of Federal activity. I receive so many letters from constituents back home whose preface to a request for a new or increased governmental program is the existence of a wasteful foreign-aid program. The letters, almost without exception, begin: "If you people down in Washington can throw away our taxpayers' money in lands that we never heard of, then surely you have a little bit of money to provide for ———." I have heard my colleagues in Congress rationalize their vote upon a new spending program by saying, "I cannot justify voting against this program for the people at home when I have sent so much money into foreign lands." The foreign-aid program is being used as a lever, as a foot in the door, for every type of wasteful, utopian, New Dealish program that can be conceived.

My colleagues, we cannot hope to improve the foreign-aid program by gallantly voting for it in its present form. I realize that we cannot defeat it. If some of the arguments which our colleagues who favor it have used are true, then, possibly, it would be unwise to defeat it. But, if enough of us who are highly critical of the program will express ourselves in words and votes enough to frighten the adherents and administrators of the program into believing that their gravy train is in danger, possibly, some improvements, some self-auditing will be the result, although I am afraid this is a little bit too much to hope for.

Mr. BYRD. Mr. Chairman, this bill is before us at a time when approximately 5 million able-bodied Americans are idle and looking in vain for gainful employment. We are asked to appropriate another round of \$3 billion for globalism when we have just finished a fiscal year with a staggering deficit. As we in this body consider this proposal to splash American substance throughout the world in some 73 countries, our own fiscal authorities are getting ready to seek another increase in the national debt.

More than a dozen years ago, the United States launched our foreign-aid program with high hopes, lofty ideals, and the conviction that we would be able to secure peace in this way. Now, more than a dozen years later, when we have expended more than \$82 billion in this vast endeavor, we find that the Free World has shrunk, the Communist domain has been greatly extended, and peace is more precarious than at any time since the program was initiated.

In all quarters of the globe there are dangerous pockets of anti-Americanism;

our embassies are stoned, our information program offices sacked, our nationals imprisoned, our Vice President scorned and spat upon, our flag trampled in the dirt.

There are those who say that this program will win us friends, strengthen and extend the Free World, and make peace a certainty in our time. After years of pouring out our money we are confronted with a surging tide of resentment against America, attacks upon our motives and our integrity, and the insulting indictment that we are suckers. Any resemblance between these gigantic giveaways and foreign policy is purely coincidental. For more than a dozen years, America out of the generosity of her great heart poured out her bounty that men everywhere might live in peace, and it is being thrown back in our faces. The time has come to call a halt to this economic folly; the time has come to suspend this global handout so we can resurvey the arena, as it were, take stock of the situation and rechart our course in accordance with economic realism and in the real pursuit of our national interests.

Mr. Chairman, I want the record to show that for the last 5 years I have supported this foreign-aid program. I have wanted strong, capable allies for my country. I have wanted to see the democratic world shored up. I have wanted to strengthen the world alliance against communism. Unfortunately, the results are not fulfilling the ballyhooed claims. We have found that friendship cannot be bought, that people everywhere resent being paid for as allies, that the programs designed to implement the authorized aid are being mangled through maladministration, that great waste has crept in, and that considerable of the substance of the aid has been dissipated long before it even got down to the people for whom it was intended.

There is a whole litany of complaints against this program. It is equally true that there has been misinformation spread about it to the detriment of the program but, when a proper balance is struck, there is enough evidence to show that it has been regarded by all too many of its employees as an opportunity for empire building careerwise, rather than for dispensing aid to deserving friends. The program has fallen far short of its acclaimed goals, and the continued imposition of its costs on the American taxpayer is proving a crushing burden. For those who insist that this program buttresses the American defense posture, I would remind them that no military effort can be any stronger than the national economy that supports it.

The question is just how long can this Nation go on at the pace of financial outgo it has been maintaining without our economic machine smashing up? The press last week featured the statement of Defense Secretary McElroy that defense expenditures next year will have to be stepped up three or four billions of dollars. He then made the grim prophecy that within the next 10 years it is possible the United States will be spending for defense at the rate of 70 to 80 billions of dollars annually. Think what this will mean in increased tax burdens.



All of us have enough economic sense to know that a budget of this type will send the national debt soaring, will inflict punishing tax rates on the American taxpayer, and will impose on the national economy a burden that will be well-nigh insupportable.

What it will mean is that the business community will face high risks for the possibility of very little profit, venture capital will vanish, our economic system will stagnate, and the once great, flourishing American capitalistic economy, a machine that produced the weapons that beat down every enemy that attacked it, will be in danger of collapse. Then there will be millions more unemployed, a whole new generation of young Americans will face the bleak prospect of careers on the dole, morale will be diluted with defeatism, and the once proud American dream will have tarnished and ended.

Khrushchev has blatantly boasted that our children will live under socialism. The Soviet economists frankly state that the American economy cannot sustain the stresses placed upon it. It is an ironic development that through our own prodigality, through our reckless and unwise spending, we seem to be rushing to keep the rendezvous which the Kremlin has predicted for us—economic ruin.

It grieves me as I stand here discussing this costly legislative folly to realize that in my own State of West Virginia, a State with a brilliant record of economic achievement in the past, whose able manpower and mighty industries have contributed so much to the Nation's benefit, that at this very hour thousands of men and women are unemployed. West Virginia leads the States in unemployment. We have thousands of people who are able, willing, and ready for work—but there is no work to be had.

The Eisenhower administration, which is now pulling every political power trick out of the bag to get this multibillion-dollar mutual-aid bill passed, at the same time sits by and allows a flood of residual foreign oil to come in from abroad to provide cheap competition that is virtually ruining one of our major industries—coal. It is hard for me to understand or appreciate just what the administration is about, or up to. It will literally storm the ramparts for reciprocal trade, which has accounted for economic loss and ruin in West Virginia and elsewhere, it will march its minions up here to the Hill to deal and apply pressure for votes for foreign aid; yet, when it comes to economic rehabilitation on the homefront, it assumes an attitude of bland indifference.

Only recently the President was asked, among other things, at his press conference, how he felt about marshaling support in behalf of the legislation to aid distressed labor areas, and his answer was a masterpiece of ambiguity and indefiniteness; yes, nothingness. It has been shown that the chronically depressed areas of the nations are economic cancers in the body politic, that enlightened self-interest warrants dras-

tic, and immediate steps looking toward restoring them to economic health, and yet the administration has eyes only for those far-off places at the outer reaches of the world. I guess distress, economic want, and lack of work within our national borders are too prosaic a matter for our one-world dreamers. The fact that the recession costs the United States Treasury millions upon millions in unemployment compensation, in distribution of relief to the needy, and still greater millions upon millions in products unproduced and consumer buying power denied the jobless through lack of wages—all adding to a terrific economic deficit—all of this, I say, appears wasted on the planners who have their gaze riveted beyond the horizon. Their attitude seems to be: No taxpayers need apply; no Americans will be heard.

Those of us on the Foreign Affairs Committee whose responsibility it is to assess policies in terms of the impact on American interests know only too well that the management, or perhaps better, the mismanagement of this aid program, has caused us more harm than good. Right here on our doorstep, in Latin, South, and Central America we have seen how the American stock of goodwill is selling. The very regrettable incidents in connection with the ill-fated visit of the Vice President and Mrs. Nixon are testimony of how our aid policies have back-fired. These peoples south of the border are traditionally our friends. We have a common heritage, we are continental neighbors, we have stood together against threats and fought together against tyrants. They have a priority on our consideration. In the matter of allocation of aid, they should have a big share. Yet the fact is that they have been treated most shabbily, with the result that friendship has turned to resentment. In view of the way this aid has been flung literally to the winds it is understandable that the countries south of the border would feel that they are the forgotten people of the program. Discernment, intelligent planning, sound perspective, all of these requirements have been missing in this program. Our mistakes in country after country in Latin, Central, and South America have accounted for a climate of opinion that permits the Communists to sow anti-American sentiment.

Global do-gooding and bragging have only earned us a harvest of worldwide trouble. They have brought murderous and insulting attacks on Americans, wrecking of United States libraries in Algiers and Lebanon, imprisonment of our nationals in country after country, abuse, invective, and insults from the recipients of our aid.

A free purse is no substitute for a sound foreign policy. Pressuring gifts upon people does not promote the cause of friendship. Someone once asked India's Nehru what orders he gave his country's delegates when they went to an international meeting and he replied:

Our instructions to our delegates have always been, firstly, to consider each question in terms of India's interests, secondly, on its merits.

The patriots who won freedom for America and established this Nation wanted no part of tribute-paying or tribute-exacting. "Millions for defense but not one cent for tribute" has been a watchword in American history since our earliest days as a nation. Bribing our way to world popularity is a dangerous and foolish expedient; in the first place, it is ruinously costly; secondly, it will not work; and, thirdly, it will produce the directly opposite effect. Now is the time to put a check on this program—this is the season for review and appraisal—this is the time to weigh the results against the outgo and see which way the scale balances. The answer is plainly indicated. Our own public debt stands today at \$275 billion. The combined public debt of all other nations of the world amounts to only \$236 billion. In other words, our own public debt exceeds that of all other nations combined by \$39 billion. In a few days, we are told, the administration may ask the Congress to boost the Federal debt ceiling for the second time this session. Some say that a new temporary ceiling of \$290 billion may be sought. The administration now anticipates a deficit of \$3 billion for fiscal 1958 when all bills are paid and a deficit of from \$12 billion to \$15 billion is foreseen for the end of fiscal 1959. What is going to become of this Nation?

Under the Marshall plan, aid was extended to 14 countries. At that time, foreign aid had a clear, specific, and realistic part to play in helping to realize our foreign policy goals. Economic aid was designed as one instrument to help reconstruct the war-torn economies of Western Europe so that the democratic governments could resist the threat of Soviet domination from the outside and Communist subversion from within. Later, our military aid helped to speed European rearmament when it became apparent that there was danger that the Red army might march across Europe. Our foreign policy goal was to build the defenses of Europe against the spread of communism. Foreign aid was one of the means used to do this. But it was only one instrument and it was integrated into a total effort by the United States. We made clear commitments to go to the aid of Europe if she was attacked. The Berlin airlift was one example to show that we meant to back up our pledges. The Soviets backed down. We stood ready to back up Europe with our political, economic, and military strength. We today risk everything on the altar of dollar diplomacy, and what is the result? The headlines from day to day tell the sad story of the decline of American prestige. American airmen are made prisoners in East Germany, other American airmen are forcibly detained by the Soviets after their plane was forced down in Armenia, 30 American Navy men are kidnapped by Cuban rebels. The Vice President of the United States, is spat upon and stoned, while the American flag is desecrated. And what does the administration prescribe as a solution? More dollars.

Mr. Chairman, the great tragedy of this whole thing is that we have no forthright and realistic foreign policy which can be used as a framework within which a well conceived and efficiently executed foreign aid program can operate. Our foreign policy has remained the policy of the Marshall plan era. What we need is a new policy of effective American leadership. If foreign aid can then be a useful instrument in the implementation of that policy, let it be planned and geared to fit the new policy requirements and the actual situations in these areas.

I am not against foreign aid if it is used where it will redound to the best interests of our own national security and if it is a program that is efficiently operated. I am not against foreign aid that is temporary in scope. I am not against foreign aid if it is given to countries and peoples who will stand with America when the chips are down. But I am against a foreign-aid program that is offered as a substitute for a foreign policy. I am against foreign aid that is handed out promiscuously to 73 countries and territories all over the world. I am against a foreign-aid program that rewards neutrals and potential enemies with greater handouts than we give to our friends. I am against the waste and inefficiency that have been found to exist in this program. When I was recently in Vietnam with other members of my subcommittee, we wanted to visit one of the projects being financed in that country with our American dollars. We started out with the American who had been sent to that country to oversee the operation of the project. To our utter amazement, he did not know how to find the project, and we went by it twice before we finally located it. In Madras, India, the same ignorance was displayed by our American officials in charge. In a certain other country the chairman of the subcommittee overheard one of our own Government representatives say to another such official, "We sold them a bill of goods." He meant that they had pulled the wool over our eyes, so to speak. In many countries it was evident to me that the Americans who were sent there to carry out the projects financed with American money thought only in terms of what new projects might be planned and what new schemes might be conceived for the expenditure of moneys, not what was best for America. Their planning and outlook did not seem to be geared to getting a good job done and getting out of the countries, but the idea seemed rather to be one of prolonging the job, concocting more grandiose projects, and digging in deeper. Of course, not all of our people in those countries gave such impressions. Many were capable, and their efforts are to be applauded. But I am against a foreign-aid program that is so loosely handled, so misguided, and one which grows ever larger and shows no signs of ever reaching an end. I am against a bill which combines military aid with economic aid and which forces us to accept all or nothing. The military portion should be included in the regular defense budget, where it belongs, and the economic aid could then rise or

fall on its own merit. I am against a foreign-aid program that is already overfunded. If we refused to appropriate a single dollar for this program, it has been estimated that there is enough money in the pipeline by which it could be operated for at least a year and a half. I am against a foreign-aid program which permits American arms to be used by the recipient governments for the subjection of local populations or for use against friendly neighboring countries. I say, Mr. Chairman, that it is time to take a new look at the program. We should refuse to pass this appropriation bill. The administration then will be forced to reevaluate the needs for foreign aid and come up with a firm foreign policy. The administration would then be forced to present a realistic foreign-aid program to meet the needs of the few real friends we have left around the world, one which is more temporary in nature and one which would not eventually leave our own Nation bankrupt. With the deadwood cut away and with the freeloaders removed, we would then have a foreign-aid program which we could all conscientiously support. It would be a program which, when integrated into a well-directed foreign policy, would win the hearts of those who are worthy to be our friends.

Mr. ALGER. Mr. Chairman, the views of those Members who wrote the minority report accompanying the House mutual security authorization were excellent. Yet now when the appropriation bill comes before us, there is no minority viewpoint so expressed. Rather, the minority now is comprised of Members who want to increase the amounts. I for one am still opposed to this huge United States effort to enrich the other nations of the world at the expense of the United States taxpayer, and call it mutual security. It is the reverse, mutual insecurity, when we, the leader of the Free World, jeopardize our fiscal soundness by self-imposed bankruptcy. Our national debt and present deficits proclaim the threat to our Nation's economy. Only the virility of the private enterprise system could shoulder such a load. But we can break the back of even this great economy if we go on like this.

There is need for mutual security, but not at the price of bankrupting the United States. Our national debt of \$275 billion is \$39 billion more than the debts of all other nations of the world, and yet we continue to pour out, via the taxpayers money, our national wealth, \$82 billion since 1945, which is equal to the value of the United States 17 largest cities.

Further, the unexpended balance of money already appropriated by Congress is \$5,194 million. The counterpart funds, our foreign currency in other nations now totals \$2,060 million. This is a total of \$7,254 million on hand for mutual security even before we appropriate more. Now we have before us \$3,078 million more. So the total of funds available if we pass this bill will be \$10,333 millions for foreign aid.

After study, I joined those Members who wrote the minority or dissenting views accompanying the mutual security authorization bill. The temperate but documented conclusion of their report states and bears repetition at this point:

Despite this extension of our interest and unwanted generosity, there has developed among recipient nations no adequate understanding of our fundamental American purpose; no sufficient comprehension that we have undertaken a mutual effort to help men live and govern themselves in terms of freedom, equality, human dignity, and peace. There has, in fact, been little or no mutuality to the program. Merely voting more dollars for the continuation of such a program is not enough. What is needed is more consistent policy, better programming, much better administration; and, what is more important, a complete review of the fundamental policy. To continue, without new direction or directives, a program that "has been tried and found wanting" is as dangerous as it is ineffective. This minority, which is second to none in its desire to maintain the security and peace of this country and of the world, has long held that the concept of mutual security, the implementation thereof, and the annual enabling legislation should be reviewed and revised. We again call for a review of the program and of the underlying policy.

In view of this, in view of the fact that Congress has failed to reassert its control over the mutual security program, in view of the failure of the justifications for the program to measure up to critical analysis, in view of administrative laxness in carrying out the program, and in view of the needless authorization of billions of dollars when the pipeline already contains billions, we cannot support the mutual security bill for 1958.

The continuation of our present hit or miss, hodgepodge subsidy of United States industry under the guise of charity to others, I have concluded, is wrong and self-defeating. Military or mutual security is lacking as we help neutrals and enemies more than friends. Charity it is not, as we claim, since we are manipulating others through military aid, economic help, and political diplomacy. First, we must decide what our policy is, then call it what it is. It should be hard-headed, self-interested looking after ourselves—charity is between people, not governments. A strong United States can attract military allies and command respect from enemies. Giving money away and deficit financing, resulting in higher taxes and inflation, cannot result in security, mutual or otherwise. Weakening ourselves through overspending cannot possibly strengthen the team of freedom-loving nations. Certainly there is some need for mutual military aid for allies, but only as a part of a clearly defined policy and within a balanced budget. United States fiscal suicide is Russia's goal. Finally, from many examples of the self-defeating nature of mutual security spending country by country can be selected the spectacle of our giving almost \$1,000 million to Yugoslavia, the ruthless Communist dictatorship, whose leader is our self-proclaiming dedicated enemy. Need more be said?

Mr. BOGGS. Mr. Chairman, I offer a preferential motion.



The Clerk read as follows:

Mr. BOGGS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. BOGGS. Mr. Chairman, I regret having to offer this motion in order to get time. I will not support the motion, but time had been limited, and, of course, those of us who are not members of the subcommittee had no way of knowing what amendments might or might not be offered. Actually this is an amendment which is substantive and probably would be subject to a point of order. I think it so important that we talk about this matter before we legislate on it that I have adopted this method in order to do so.

It seems to me that if we are going to use this bill as a vehicle for the alleged difficulties of the textile industry, then we may as well abandon this whole program and go into a relief bill for various industries which allegedly have been hurt by imports.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Ohio.

Mr. VORYS. This amendment is, of course, a ridiculous way of trying to operate on this bill. If we are going into any such limitation program it is wrong to confine it to textiles; but if we are going to do this sort of thing at all we should have some committee consideration given to it.

This amendment is obviously the result of the letter that was circulated by the ICA in an attempt to get any American textile company to go into Indonesia. Indonesia has been importing \$200 million worth of textiles every year, only \$5 million of which comes from the United States, special quality cloth. The rest of it our textile people cannot compete for. Indonesia gets its imports from Japan, India, Hong Kong, and Communist China. The Indonesian Government is anxious to set up a textile mill to save on foreign exchange. We wanted to have them set up an American private enterprise mill. We did not get any proposals that were satisfactory, so Indonesia accepted a Communist bid for a mill.

There was no question of competition with American textile plants involved, because that plant would not have taken any business from American plants.

If what ICA was trying to do is understood, instead of distorted, we should commend them for their efforts, instead of attempting to stop them by this kind of amendment.

Mr. BOGGS. I thank the gentleman for his contribution.

The fundamental proposition involved here is whether or not we are going to make special cases involving certain American industries. The textile industry has been before the proper committee of this Congress, the Ways and Means Committee. Many of the allegations which have been made here have not been borne out by the actual facts, the actual statistics. But if you were to take this basis for legislating, then you would take the pottery business, the

chemical business, the plywood business, the machine tool business, and others which also claim that they are being injured as the result of imports. This is not the way to pass this kind of legislation.

Our whole approach to these undeveloped nations has been, "We want you to develop your own economies so that you will not be dependent upon imports from the United States, England, or any other source. We want you to be self-respecting and independent people. We want you off the backs of the American taxpayers."

This means that if we encourage these people to develop their own resources, to develop their own textile mills, to develop their own heavy industries wherever it is practicable, then we are not only not doing a disservice to our own industries but we are helping these people and we are helping the taxpayers of our own country.

In my judgment, to adopt this amendment is to defeat the whole Development Loan Program. I hope that the amendment will be defeated.

Mr. TABER. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I expect when the appropriate stage is reached, to offer a motion to recommit to restore \$75 million to the amount allocated to defense support. That will make the figure \$775 million. It will benefit and keep in shape the armed forces of Korea, Taiwan—or Formosa—Turkey, Greece, Iran, and a large number of other small countries that are not able to carry the full burden of their military establishment. It means 3 million armed men properly armed surrounding Russia.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Louisiana.

Mr. WHITTEN. Mr. Chairman, I rise in support of the motion.

The CHAIRMAN. The gentleman cannot be recognized. Only 10 minutes can be consumed on a preferential motion.

Mr. WHITTEN. Has the gentleman from New York used up all his time, or has he some time left?

The CHAIRMAN. Only two 5-minute speeches can be made on a preferential motion.

The question is on the preferential motion offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. Gross), there were—ayes 53, noes 139.

So the motion was rejected.

Mr. FEIGHAN. Mr. Chairman, I regret that the time limitation which has already been set does not permit full-scale debate on section 105 of this bill. Events of the last week have convinced me that Congress must be on the alert to any possible effort to tamper with this language or to water it down to the extent that it is meaningless.

The chairman of the subcommittee is to be complimented on the care that has been taken to prevent any damaging inroads being made on Congressional intent toward the admission of Communist Red China into the United Na-

tions. Section 105 was originally intended to keep the Department of State on notice that Congress would not weaken in its firm position on this great public issue. The language of section 105, beginning on line 17, page 6, reads as follows:

In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

Recently I have heard it said that this language lays itself open to interpretation, particularly by those who are seeking the admission of Communist Red China into the United Nations, as an expression by Congress that the Government of the United States has lost the necessary influence and prestige in international affairs to block the seating of Communist Red China in the United Nations. I do not believe this to be the case. In the first instance the United States can block the seating of Communist Red China in the Security Council by the exercise of its veto power. However, the veto power does not extend, generally speaking, to the General Assembly of the United Nations. The opinion is held that it is possible, under the Charter of the United Nations, to seat a new member state in the General Assembly by a two-thirds majority vote. Surely, the prestige and influence for good of the United States Government has not deteriorated to a point where it cannot secure more than one-third of the votes in the General Assembly to block admission of Communist Red China.

When Congress first enacted section 105 it set a precedent which now requires Congress to enact this provision each year in order to maintain a continuing sense of the Congress. If Congress should fail, at any time in the future, to include section 105 in any mutual security appropriation acts, this omission would be taken as a change in the attitude of Congress against admission of Communist Red China into the United Nations, as expressed by the concurrent resolution which was unanimously adopted. If the mutual security program is continued this means Congress has the duty each time to express its continuing sense in opposition to the seating of Communist Red China.

The strong possibility exists that interests at work in the Department of State will seek to manipulate the language of section 105 and water it down to an extent that Congress will have no position whatever with regard to the admission of Communist Red China into the United Nations. A case in point is provided by the recent action taken with regard to the authorization bill passed by the House with reference to this very appropriation. We unanimously adopted an amendment which required that before any additional aid could be

given to the Communist dictator Tito the President must make a public finding that, first, there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union; second, that Yugoslavia is not participating in any policy or program for the Communist conquest of the world; and third, that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act.

When the authorization bill came out of conference this requirement placed upon the President was stricken and instead a weasel word amendment was substituted which requires the President only to keep himself assured on the wisdom of giving additional aid to Communist Tito instead of making a public finding and setting forth his reasons for such action so that the American people could judge whether or not his action was justified. By watering down the firm resolution expressed by the House a great public issue has been given a silent burial.

It would be a tragedy if the great public issue which attaches to the admission of Communist Red China into the United Nations were to suffer a similar burial ceremony through a manipulation of words, thus weakening the determination of Congress to make the United Nations into an effective instrument in the cause of world peace.

Mr. GRIFFIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GRIFFIN to the amendment offered by Mr. CANFIELD: After the words "textile processing plants" insert the words "automobile manufacturing plants or any other manufacturing industry now established in the United States."

Mr. BOGGS. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriation bill.

The CHAIRMAN (Mr. MILLS). This is a limitation on an appropriation bill and the point of order is overruled.

Mr. GRIFFIN. Mr. Chairman, of course I am opposed to the amendment offered by the gentleman from New Jersey [Mr. CANFIELD]. My amendment should make it obvious that, at this point in our consideration of the bill, we cannot single out just one industry for special treatment.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. CANFIELD].

The question was taken; and on a division (demanded by Mr. CANFIELD), there were—ayes 66, noes 133.

So the amendment was rejected.

The Clerk completed the reading of the bill.

#### LEGISLATIVE PROGRAM

Mr. ARENDS. Mr. Chairman, will the gentleman from Louisiana [Mr. PASSMAN] yield me 1 minute so that I

may inquire as to the legislative program?

Mr. PASSMAN. I am happy to yield to the distinguished gentleman.

Mr. ARENDS. I thank the gentleman from Louisiana.

Mr. Chairman, I would like to ask the majority leader if he can inform us as to any further legislative program for today and what we may expect for next week.

Mr. McCORMACK. Following the disposition of the pending bill, there is a conference report on the Yellowtail Dam. Then there is another conference report for today on building superliner passenger vessels for operation on the Atlantic and Pacific Oceans. There are also several unanimous consent matters which, of course, have been cleared. One of them is the bill ratifying a compact between the State of Massachusetts and the State of Connecticut. Of course, as the Members know, they have all been carefully screened and cleared.

Next week on Monday there is the Consent Calendar and the Private Calendar, with five suspensions: First, H. R. 67, Pension for Medal of Honor holders; second, S. 3420, extending Public Law 430; third, H. R. 12883, improvements, Capitol Power Plant; fourth, S. 495, acquire Senate property; fifth, S. 3975, construction of building, Government Printing Office.

Then there is S. 3506, loan of vessels to friendly nations. This is not under suspension.

If there are any rollcalls on Monday, Tuesday, or Wednesday, with the exception of the adoption of a rule, they will go over until Thursday. That is an agreement made between the leadership.

On Tuesday, Wednesday, Thursday, Friday, and Saturday there is S. 1832, for an additional Secretary of State; House Joint Resolution 424, crimes and offenses, sentencing procedures.

On Wednesday, H. R. 13015, authorization, military construction; S. 3651, Small Business Investment Act of 1958.

H. R. 4504, marketing facilities, perishable products.

The following bills may be called up, or any one of them, for consideration, if rules are reported out:

H. R. 13121, authorization, Atomic Energy Commission appropriation;

H. R. 12630, national defense education bill.

S. 3497, community facilities bill.

S. 3683, program to alleviate unemployment in depressed areas.

H. R. 11078, small boat safety bill.

Of course they cannot all be brought up next week, but if rules are reported out those bills may be called up. It is important to get important bills out of our way as quickly as possible. Otherwise you will be here well into September. If the chairmen of committees will report out bills that we have to act on this session, we have a good chance of getting through not later than August 16. We ought to do it by August 9, as I see it. I am no hero, but I am doing the best I can, perhaps making a nuisance out of myself with the chairmen of committees. I realize their problems.

My remarks are in no way in criticism of them. Bills like the community facilities, the education bill, and the scholarship bill, if they are reported out and we get rules, we can then let the House work its will. As a matter of fact, if we get the bills out we could get through by August 2, but as I see it now, unless those bills come out of committee, we will likely be here until Labor Day. I am doing my best to get through by August 9 or August 16, at the latest.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ARENDS. Those bills the gentleman mentioned will not necessarily be taken up categorically, as listed?

Mr. McCORMACK. No.

Mr. ARENDS. I had expressed the hope to the chairman that a bill coming from the Armed Services Committee might be taken up on Wednesday.

Mr. McCORMACK. I specifically set that for Wednesday. Also the Small Business Investment Act for Wednesday.

Mr. WINSTEAD. Mr. Chairman, I appreciate the splendid efforts the gentleman from Louisiana has made in providing evidence in the hearings, in the report, and in the debate to justify the overall reduction which the Appropriations Committee has made in the request of the Bureau of the Budget for foreign aid.

I would go further and say that these cuts are absolutely essential if we are ever to bring order out of chaos, and is necessary if we are to prevent a recurrence of such actions as our country was subjected to at Taiwan or Formosa last year. I realize that the chairman cannot break down here in the public debate the amounts for each country, but in the item for the Far East it is evident that the gentleman has taken note and cut appropriations for those countries which have attacked our Embassies, slandered our flag, and endangered American lives—certainly with little effort by some in the local government to prevent such actions.

I would like to say, Mr. Chairman, that the evidence and the proof on this overall foreign-aid program really is an indictment of the whole program. Personally, while there are perhaps a few individual programs that may contribute to the United States, I have voted against the program for many years, believing—may I say, knowing—that if we defeated this appropriation the committee would go back and promptly bring out another bill limited solely to essential programs.

Mr. PASSMAN. Mr. Chairman, I yield back the remainder of my time.

Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that it do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 13192) making appropriations for mutual security for the fiscal year



ending June 30, 1959, and for other purposes, directed him to report the same back to the House, with the recommendation that the bill do pass.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered. The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

Mr. BUDGE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BUDGE. The gentleman from New York has previously announced that he would offer a motion to recommit the bill. I am unqualifiedly opposed to the bill. The question I wish to ask is whether the Chair will recognize me for the purpose of offering a motion to recommit the bill without instructions, a straight motion to recommit.

The SPEAKER. The gentleman cannot describe his motion. The gentleman from New York [Mr. TABER] has qualified. He has said he was opposed to the bill.

Mr. BUDGE. A further parliamentary inquiry, Mr. Speaker: Am I not entitled to prior recognition, being unqualifiedly opposed to the bill?

The SPEAKER. The gentleman from New York has qualified by his statement that he was opposed to the bill. What other thought the gentleman from New York may have had in his mind the Chair is unable to determine.

The Clerk will report the motion.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith together with the following amendment: Page 2, line 10, strike out "\$700,000,000" and insert in lieu thereof "\$775,000,000."

Mr. HOFFMAN. Mr. Speaker, I make a point of order against the motion to recommit on the ground that the motion itself shows that the gentleman is not qualified.

The SPEAKER. The Chair cannot entertain such a point of order after the statement made by the gentleman from New York.

Mr. BUDGE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BUDGE. The gentleman from New York has moved to recommit the bill with instructions. I have stated that I am unqualifiedly opposed to the bill. I have a straight motion to recommit the bill. Am I not entitled to recognition?

The SPEAKER. The Chair has already ruled and does not intend to change his position that the gentleman from New York [Mr. TABER] is qualified to offer the motion to recommit.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TABER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 166, nays, 214, answering "present" 1, not voting 49, as follows:

[Roll No. 119]

YEAS—166

Addonizio	Garmatz	Multer
Allen, Calif.	Gavin	Nix
Arends	George	Norblad
Ashley	Glenn	O'Hara, Ill.
Auchincloss	Gordon	O'Hara, Minn.
Avery	Granahan	Osmers
Ayres	Green, Pa.	Ostertag
Baldwin	Griffin	Patterson
Barrett	Griffiths	Pelly
Bass, N. H.	Gubser	Price
Bates	Hagen	Prouty
Baumhart	Hale	Quie
Becker	Halleck	Ray
Boland	Harden	Reed
Bolling	Harvey	Reuss
Bolton	Haskell	Rhodes, Pa.
Boyle	Healey	Riehlman
Broomfield	Heseltun	Robison, N. Y.
Broyhill	Hess	Rodino
Bush	Hill	Rogers, Colo.
Byrne, Pa.	Hoeven	Rogers, Mass.
Canfield	Holifield	Rooney
Carnahan	Holmes	Sadiak
Chamberlain	Holt	St. George
Chenoweth	Holtzman	Saylor
Chipperfield	Horan	Schenck
Coffin	Hosmer	Schwengel
Corbett	Hyde	Scudder
Coudert	Judd	Seely-Brown
Cramer	Karsten	Simpson, Pa.
Cretella	Kean	Sisk
Cunningham,	Keating	Springer
Iowa	Kelly, N. Y.	Stauffer
Curtin	King	Sullivan
Curtis, Mass.	Kluczynski	Taber
Dennison	Lafore	Teague, Calif.
Derounian	Latham	Teller
Devereux	LeCompte	Tewes
Diggs	McCarthy	Thompson, N. J.
Dollinger	McCulloch	Tollefson
Dooley	McGregor	Udall
Dorn, N. Y.	McIntosh	Van Zandt
Doyle	Macdonald	Vorys
Dwyer	Machrowicz	Vursell
Engle	Mailliard	Wainwright
Fallon	Marshall	Walter
Farbstein	Martin	Widnall
Fascell	May	Wier
Fino	Marrow	Wigglesworth
Flood	Metcalf	Wilson, Ind.
Fogarty	Miller, Calif.	Wolverton
Forand	Miller, Md.	Yates
Ford	Minshall	Younger
Frelinghuysen	Morano	Zablocki
Friedel	Morgan	Zelenko
Fulton	Moss	

NAYS—214

Abbutt	Boykin	Davis, Ga.
Abernethy	Bray	Davis, Tenn.
Adair	Breeding	Dawson, Ill.
Albert	Brooks, Tex.	Dawson, Utah
Alexander	Brown, Ga.	DeLahey
Alger	Brown, Mo.	Dellay
Allen, Ill.	Brown, Ohio	Dent
Anderson,	Brownson	Denton
Mont.	Budge	Dingell
Andrews	Burleson	Dixon
Ashmore	Byrd	Donohue
Aspinall	Byrne, Ill.	Dorn, S. C.
Ball	Byrnes, Wis.	Durham
Baker	Cannon	Elliott
Baring	Carrigg	Everett
Beamer	Cederberg	Evins
Beckworth	Celler	Felghan
Belcher	Chelf	Fenton
Bennett, Fla.	Christopher	Fisher
Bennett, Mich.	Church	Flynt
Bentley	Clark	Forrester
Berry	Clevenger	Fountain
Betts	Coad	Frazier
Blitch	Collier	Gary
Boggs	Cooley	Gathings
Bonner	Cunningham,	Grant
Bosch	Nebr.	Gray
Bow	Curtis, Mo.	Green, Oreg.

Gregory	McDonough	Riley
Gross	McFall	Roberts
Haley	McGovern	Robison, Ky.
Harris	McIntire	Rogers, Fla.
Harrison, Nebr.	McMillan	Rogers, Tex.
Harrison, Va.	McVey	Rutherford
Hays, Ohio	Mack, Ill.	Santangelo
Hebert	Mack, Wash.	Scherer
Hemphill	Madden	Scott, N. C.
Henderson	Magnuson	Sclivner
Herlong	Mahon	Selden
Hiestand	Matthews	Sheehan
Hillings	Meador	Sheppard
Hoffman	Michel	Sikes
Holland	Miller, Nebr.	Siler
Huddleston	Mills	Simpson, Ill.
Hull	Mitchell	Smith, Calif.
Ikard	Moore	Smith, Kans.
Jackson	Moulder	Smith, Miss.
Jarman	Mumma	Smith, Va.
Jennings	Murray	Spence
Jensen	Natcher	Staggers
Johansen	Neal	Thomas
Johnson	Nicholson	Thompson, La.
Jonas	Nimtz	Thompson, Tex.
Jones, Ala.	Norrell	Thomson, Wyo.
Kee	O'Brien, Ill.	Tuck
Keogh	O'Konski	Ullman
Kilday	O'Neill	Utt
Kilgore	Passman	Vanik
Kitchin	Patman	Van Pelt
Knox	Perkins	Vinson
Knutson	Pfost	Watts
Krueger	Philbin	Weaver
Laird	Pillion	Westland
Landrum	Posage	Wharton
Lane	Poff	Whitener
Lankford	Polk	Whitten
Lennon	Porter	Williams, Miss.
Lesinski	Preston	Willis
Libonati	Rabaut	Winstead
Lipscomb	Rains	Withrow
Loser	Reece, Tenn.	Wright
McCormack	Rees, Kans.	Young

ANSWERING "PRESENT"—1

Hardy

NOT VOTING—49

Andersen,	James	Rivers
H. Carl	Jenkins	Robeson, Va.
Anfuso	Jones, Mo.	Roosevelt
Barden	Kearney	Saund
Bass, Tenn.	Kearns	Scott, Pa.
Blatnik	Kilburn	Shelley
Brooks, La.	Kirwan	Shuford
Buckley	Mason	Slominski
Burdick	Miller, N. Y.	Steed
Colmer	Montoya	Talle
Dague	Morris	Taylor
Dies	Morrison	Teague, Tex.
Dowdy	O'Brien, N. Y.	Thornberry
Eberhart	Pilcher	Trimble
Edmondson	Powell	Williams, N. Y.
Gwinn	Radwan	Wilson, Calif.
Hays, Ark.	Rhodes, Ariz.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hays of Arkansas for, with Mr. Hardy against.

Until further notice:

Mr. Thornberry with Mr. Scott of Pennsylvania.

Mr. Slominski with Mr. Gwinn.

Mr. Colmer with Mr. Dague.

Mr. Morrison with Mr. Burdick.

Mr. Pilcher with Mr. Mason.

Mr. Montoya with Mr. Radwan.

Mr. Kirwan with Mr. James.

Mr. Barden with Mr. Kearney.

Mr. Anfuso with Mr. Kilburn.

Mr. Brooks of Louisiana with Mr. H. Carl

Andersen.

Mr. Dowdy with Mr. Talle.

Mr. Steed with Mr. Taylor.

Mr. Shelley with Mr. Jenkins.

Mr. Roosevelt with Mr. Kearns.

Mr. Rivers with Mr. Williams of New York.

Mr. Blatnik with Mr. Wilson of California.

Mr. Trimble with Mr. Rhodes of Arizona.

Mr. Buckley with Mr. Miller of New York.

Mr. HARDY. Mr. Speaker, I have a live pair with the gentleman from Ar-

kansas, Mr. HAYS. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. RHODES of Pennsylvania changed his vote from "nay" to "yea." The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. PASSMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 253, nays 126, not voting 51, as follows:

[Roll No. 120]

#### YEAS—253

Addonizio	Fenton	Mailliard
Albert	Fino	Marshall
Allen, Calif.	Flood	Martin
Anderson,	Fogarty	Matthews
Mont.	Forand	May
Arends	Ford	Meador
Ashley	Fountain	Morrow
Aspinall	Frazier	Metcalfe
Auchincloss	Frelinghuysen	Miller, Calif.
Avery	Friedel	Miller, Md.
Ayres	Fulton	Mills
Baker	Garmatz	Minshall
Baldwin	Gary	Morano
Barrett	Gathings	Morgan
Bass, N. H.	George	Moss
Bates	Glenn	Multer
Baumhart	Gordon	Mumma
Becker	Granahan	Natcher
Beckworth	Green, Oreg.	Nix
Bennett, Fla.	Green, Pa.	Norblad
Boggs	Gregory	O'Brien, Ill.
Boland	Griffin	O'Hara, Ill.
Bolling	Griffiths	O'Neill
Bolton	Gubser	Osmers
Boykin	Hagen	Ostertag
Boyle	Hale	Passman
Breeding	Halleck	Patman
Brooks, Tex.	Hardy	Patterson
Broomfield	Harris	Pelly
Broyhill	Haskell	Perkins
Bush	Healey	Philbin
Byrne, Pa.	Hébert	Pillion
Byrnes, Wis.	Herlong	Poff
Canfield	Heseltun	Porter
Cannon	Hess	Price
Carnahan	Hill	Prouty
Carrigg	Hillings	Quile
Celler	Hollfield	Rabaut
Chamberlain	Holland	Rains
Chelf	Holmes	Ray
Chenoweth	Holt	Reuss
Chiperfield	Holtzman	Rhodes, Pa.
Christopher	Horan	Riehlman
Clark	Hosmer	Roberts
Coad	Huddleston	Robison, N. Y.
Coffin	Hyde	Robison, Ky.
Cooley	Ikard	Rodino
Corbett	Jackson	Rogers, Colo.
Coudert	Jarman	Rogers, Mass.
Cramer	Johnson	Rooney
Cretella	Jones, Ala.	Sadlak
Cunningham,	Judd	Santangelo
Iowa	Karsten	St. George
Curtin	Kean	Schenck
Curtis, Mass.	Keating	Schwengel
Davis, Tenn.	Kee	Scudder
Dawson, Utah	Kelly, N. Y.	Seely-Brown
Delaney	Keogh	Selden
Dellay	Kilday	Sheppard
Dennison	King	Simpson, Pa.
Dent	Kluczynski	Sisk
Denton	Knutson	Smith, Miss.
Derounian	Lafore	Spence
Devereux	Laird	Springer
Diggs	Lane	Staggers
Dingell	Lankford	Stauter
Dixon	Latham	Sullivan
Dollinger	LeCompte	Teague, Calif.
Donohue	Lesinski	Teller
Dooley	Libonati	Tewes
Dorn, N. Y.	McCarthy	Thompson, N. J.
Doyle	McCormack	Thompson, Tex.
Durham	McFall	Tollefson
Dwyer	McGovern	Udall
Elliott	McIntosh	Ullman
Engle	Macdonald	Vanik
Evins	Machrowicz	Van Zandt
Fallon	Mack, Ill.	Vinson
Farbstein	Madden	Vorvys
Fascell	Magnuson	Vursell
Feighan	Mahon	Wainwright

Walter  
Watts  
Westland  
Widnall

Abbitt  
Abernethy  
Adair  
Alexander  
Alger  
Allen, Ill.  
Andrews  
Ashmore  
Bailey  
Baring  
Beamer  
Belcher  
Bennett, Mich.  
Bentley  
Berry  
Betts  
Blitch  
Bonner  
Bosch  
Bow  
Bray  
Brown, Ga.  
Brown, Mo.  
Brown, Ohio  
Brownson  
Budge  
Burleson  
Byrd  
Byrne, Ill.  
Cederberg  
Church  
Clevenger  
Collier  
Cunningham,  
Nebr.  
Curtis, Mo.  
Davis, Ga.  
Dorn, S. C.  
Everett  
Fisher  
Flynt  
Forrester  
Gavin

Wier  
Wigglesworth  
Wolverton  
Wright

#### NAYS—126

Grant  
Gray  
Gross  
Haley  
Harden  
Harrison, Nebr.  
Harrison, Va.  
Harvey  
Hemphill  
Henderson  
Hiestand  
Hooven  
Hoffman  
Hull  
Jennings  
Jensen  
Johansen  
Jonas  
Kilgore  
Kitchin  
Knox  
Krueger  
Landrum  
Lennon  
Lipcomb  
Loser  
McCulloch  
McDonough  
McGregor  
McIntire  
McMillan  
McVey  
Mack, Wash.  
Michel  
Miller, Nebr.  
Mitchell  
Moore  
Moulder  
Murray  
Neal  
Nicholson  
Nimtz  
Norrell

Yates  
Younger  
Zablocki  
Zelenko

O'Hara, Minn.  
O'Konski  
Pfost  
Poage  
Polk  
Preston  
Reece, Tenn.  
Reed  
Rees, Kans.  
Riley  
Rogers, Fla.  
Rogers, Tex.  
Rutherford  
Saylor  
Scherer  
Scott, N. C.  
Scrivner  
Sheehan  
Sikes  
Siler  
Simpson, Ill.  
Smith, Calif.  
Smith, Kans.  
Smith, Va.  
Taber  
Teague, Tex.  
Thomas  
Thompson, La.  
Thomson, Wyo.  
Tuck  
Utt  
Weaver  
Wharton  
Whitener  
Whitten  
Williams, Miss.  
Willis  
Wilson, Ind.  
Winstead  
Withrow  
Young

Mr. Eberharter for, with Mr. Rivers against.  
Mr. Hays of Ohio for, with Mr. Bass of Tennessee against.

#### Until further notice:

Mr. Edmondson with Mr. Radwan.  
Mr. Jones of Missouri with Mr. Williams of New York.  
Mr. Saund with Mr. Kearney.  
Mr. Sieminski with Mr. Kearns.

Mr. GEORGE and Mr. BUSH changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the mutual security appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

#### SMALL BUSINESS ACT OF 1953

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7963) to amend the Small Business Act of 1953, as amended, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, RAINS, McDONOUGH, WIDNALL, AND BETTS.

#### YELLOWTAIL DAM

Mr. HALEY. Mr. Speaker, I call up the conference report on the resolution (S. J. Res. 12) to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, and payment to Crow Indian Tribe in connection therewith, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT (H. REPT. NO. 2010)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 12) to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, and payment to Crow Indian Tribe in connection therewith, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and

#### NOT VOTING—51

Andersen,  
H. Carl  
Anfuso  
Barden  
Bass, Tenn.  
Blatnik  
Brooks, La.  
Buckley  
Burdick  
Colmer  
Dague  
Dawson, Ill.  
Dies  
Dowdy  
Eberharter  
Edmondson  
Gwinn  
Hays, Ark.

Rivers  
Robeson, Va.  
Roosevelt  
Saund  
Scott, Pa.  
Shelley  
Shuford  
Sieminski  
Steed  
Talle  
Taylor  
Thornberry  
Trimble  
Van Pelt  
Williams, N. Y.  
Wilson, Calif.

So the bill was passed.  
The Clerk announced the following pairs:

On this vote:

Mr. Thornberry for, with Mr. Brooks of Louisiana against.  
Mr. Montoya for, with Mr. Colmer against.  
Mr. Anfuso for, with Mr. Morrison against.  
Mr. Buckley for, with Mr. Barden against.  
Mr. Scott of Pennsylvania for, with Mr. Mason against.  
Mr. Kilburn for, with Mr. Burdick against.  
Mr. Miller of New York for, with Mr. Jenkins against.  
Mr. Taylor for, with Mr. Talle against.  
Mr. Hays of Arkansas for, with Mr. Steed against.  
Mr. Wilson of California for, with Mr. Van Pelt against.  
Mr. Dague for, with Mr. Gwinn against.  
Mr. Kirwan for, with Mr. Dowdy against.  
Mr. O'Brien of New York for, with Mr. Pilcher against.  
Mr. Blatnik for, with Mr. Morris against.  
Mr. Roosevelt for, with Mr. Dies against.  
Mr. Shelley for, with Mr. Robeson of Virginia against.  
Mr. Dawson of Illinois for, with Mr. Rhodes of Arizona against.  
Mr. Trimble for, with Mr. H. Carl Andersen against.



agree to the same with an amendment as follows:

Strike out section 1 of the House amendment and insert in lieu thereof: "That, from funds appropriated to the Department of the Interior, Bureau of Reclamation, for the Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians, Montana, the sum of \$2,500,000. Said sum is intended to include both just compensation for the transfer to the United States as herein provided of all right, title, and interest of the Crow Tribe in and to the tribal lands described in section 2 of this resolution, except such as is reserved or excluded in said section 2, and a share of the special value to the United States of said lands for utilization in connection with its authorized Missouri River Basin project, in addition to other justifiable considerations. Nothing contained in this joint resolution shall be taken as an admission by the United States that it is under any legal obligation to pay more than just compensation to said Crow Tribe and, in any suit brought as provided in section 3 of this resolution, no amount in excess of the sum above stated shall be awarded unless the court finds that the whole of said sum is less than just compensation for all of the tribal right, title, and interest taken. No attorney fees shall be allowed out of the amount paid under authority of this section. Neither the initial transfer of such funds to the tribe, as provided herein, nor any subsequent per capita distribution thereof shall be subject to Federal income tax."

Strike out section 3 of the House amendment and insert in lieu thereof:

"Sec. 3. Unless suit is brought by the Crow Tribe in the United States District Court for the District of Montana or the Court of Claims within three years after the effective date of this joint resolution to determine whether an amount additional to that specified in section 1 hereof is due as just compensation, the sum provided by section 1 hereof shall be deemed to constitute full, complete, and final settlement of any and all claims by the tribe on account of the transfer to the United States as therein provided of the tribe's right, title, and interest in and to the lands referred to in section 2 hereof, including claims based on their power site and dam site values. In the event a suit to determine just compensation is so brought, either of said courts shall have jurisdiction as under section 1505, title 28, United States Code, and in determining just compensation shall take into account the rights reserved to the tribe by subsections (b), (c), and (d) of section 2 hereof and shall, if judgment be for the tribe, deduct from the amount thereof the sum specified in and paid under section 1 of this joint resolution. Review of the judgment shall be in the same manner, and subject to the same limitations, as govern in the case of other claims cognizable under the aforementioned section 1505. Nothing contained in this joint resolution shall be taken as an admission on the part of the United States that just compensation is required for any particular element of value, including power site and dam site value, now or hereafter claimed by the Crow Tribe, but the same shall be determined in accordance with the Constitution and laws of the United States."

And the House agree to the same.

JAMES A. HALEY,  
WAYNE N. ASPINALL,  
CLAIR ENGLE,

Managers on the Part of the House.

JAMES E. MURRAY,  
CLINTON P. ANDERSON,  
GEORGE W. MALONE,

Managers on the Part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (S. J. Res. 12) to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, and payment to Crow Indian Tribe in connection therewith, and for other purposes, submit the following statement in explanation of the effect of the language agreed upon and recommended in the accompanying conference report:

Senate Joint Resolution 12, as it came to the House, provided for the payment of \$5,000,000 to the Crow Tribe of Indians as just compensation for the transfer of the tribe's entire interest (except mineral rights) in lands required for the Yellowtail Dam and Reservoir of the Missouri River Basin project (act of December 22, 1944, sec. 9, 58 Stat. 887, as amended and supplemented) and in the light of special values related thereto for which such compensation is not required under the fifth amendment to the Constitution.

In the House this measure was amended to substitute \$2,500,000 as the amount to be paid the tribe. The amendment was accomplished by substituting the text of House Joint Resolution 2, as amended in committee, for the text of Senate Joint Resolution 12. Other changes also occurred as a result of this substitution, including the striking of the preamble to Senate Joint Resolution 12, the inclusion of a provision for distribution of the amount paid the tribe in accordance with the act of June 20, 1936 (49 Stat. 1543), the inclusion of a recital disclaiming any legal obligation on the part of the United States to pay more than just compensation to the Crow Tribe, a prohibition against payment of attorney fees from moneys paid under the resolution and the correction of minor errors in the land description.

The conference amendments adopt the House figure of \$2,500,000. They also provide that, if the tribe believes this to be less than the amount to which it is entitled as compensation, it may sue either in the Court of Claims or in the United States District Court for the District of Montana. The language of House Joint Resolution 2 disclaiming any legal liability for more than the compensation to which the tribe may be entitled under the Constitution is retained and provision is made requiring that the \$2,500,000 paid under section 1 be deducted from whatever judgment the tribe is awarded in such a suit. This will avoid any possibility of double compensation to the tribe. In view of claims made in pending litigation by the tribe, the conference amendment specifically adverts to power site and dam site value but provides that this reference shall not be taken as an admission by the Government that payment of just compensation therefor is required. This is designed to avoid prejudicing any independent judicial determination of this tribal claim that may be called for in the premises. The executive branch will be free, if it chooses to do so, to maintain the position that, to use the language of the President (S. Doc. No. 123, 84th Cong.) "General principles of constitutional law exclude power site values in determining 'just compensation' \* \* \*."

The conference amendments conform to the House version of the bill in omitting the preamble and in the land description. They conform to the Senate version in omitting the provision for distribution of funds in accordance with the act of June 20, 1936. They adopt the House provision with respect to attorney fees in slightly modified form.

JAMES A. HALEY,  
WAYNE N. ASPINALL,  
CLAIR ENGLE,

Managers on the Part of the House.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman.

Mr. SCHWENGEL. Mr. Speaker, I would like to ask the gentleman to explain this joint resolution. It seems to me that there were some serious objections to it earlier.

Mr. HALEY. This is a conference report. I might say to the gentleman that it follows substantially the joint resolution that was passed by the House. If the gentleman would like a further explanation of the resolution, I should be glad to yield to the gentleman from Montana, Mr. METCALF.

Mr. METCALF. Mr. Speaker, I thank the gentleman from Florida for yielding to me. As you have stated, this is substantially the House bill. It is the exact amount, \$2½ million, which was approved by the House when this legislation originally passed on February 19.

This bill does two things. It settles a longstanding controversy as to whether the United States can condemn Crow tribal land for the construction, operation and maintenance of Yellowtail Dam and fixes the compensation for the land taken at \$2½ million.

There is considerable doubt as to the right of the Federal Government to condemn Indian tribal lands. There is no question but that Congress by specific acts may authorize the condemnation of Indian lands despite prior treaty rights, statutes or agreements. Three recent decisions of United States district courts have not cleared up the doubts about whether or not there has been the specific grant of authority sufficient to give the United States the right to institute proceedings in eminent domain.

On March 10, the District Court for the Northern District of South Dakota in United States against 9005.22 acres of land, more or less, situate in Carson County, S. Dak., and Sioux Indians of Standing Rock reservation et al., analyzed the legislation authorizing and appropriating money for the construction of Oake Dam and came to the conclusion that the clear Congressional intention to grant power to condemn the Indian tribal land had not been manifested.

The South Dakota court summarized the legal principles applicable to the condemnation of Indian tribal lands as follows:

Certain principles of law are not disputed by either the tribe or the Government, but a recitation of these principles will assist in placing the issue here in its proper perspective. The right of eminent domain, which is the power to take private property for public use, is an inherent incident of sovereignty requiring no constitutional recognition, and the provision of the fifth amendment to the Federal Constitution that just compensation be paid for property taken is merely a limitation upon the use of that right. *United States v. Jones* (109 U. S. 513 (1883)); *United States v. Federal Land Bank of St. Paul* (8 Cir. 1942, 127 F. 2d 505, 508). The right to authorize the exercise of eminent domain lies only in the Congress, and an agency or officer of the United States may take property only to the extent of the Congressional authorization. *United States v. North American Transportation and Trading Co.* (253 U. S. 330 (1920)); *United States v. Welch* (327 U. S. 546 (1946)); *Youngstown*

*Sheet & Tube Co. v. Sawyer* (343 U. S. 579 (1952)). Congress has the power to authorize the taking of Indian tribal lands. *Cherokee Nation v. Southern Kansas Ry. Co.* (135 U. S. 641 (1890)). Where there is a treaty with Indians which would otherwise restrict the Congress, Congress can abrogate the treaty in order to exercise its sovereign right. *Thomas v. Gay* (169 U. S. 264 (1898)); *Choate v. Trapp* (224 U. S. 665 (1912)).

The court relied on the prevailing rule that "general legislation does not apply to Indians" as laid down in *Elk v. Wilkins*, one hundred and twelfth United States Reports, page 94, 1884, and cited with approval the following quotation from that case:

The Indian tribes, being within the territorial limits of the United States, were not, strictly speaking, foreign states; but they were alien nations, distinct political communities, with whom the United States might and habitually did deal, as they thought fit, either through treaties made by the President and the Senate, or through acts of Congress in the ordinary forms of legislation. The members of those tribes owed immediate allegiance to their several tribes, and were not part of the people of the United States. They were in a dependent condition, a state of pupillage, resembling that of a ward to his guardian. Indians and their property, exempt from taxation by treaty or statute of the United States, could not be taxed by any State. General acts of Congress did not apply to Indians, unless so expressed as to clearly manifest an intention to include them. (112 U. S. at pp. 99, 100).

In support of its contention that it had a right of condemnation over Indian tribal land the Government relied on five statutes. Two of them were title 33, United States Code Annotated, sections 591 and 701. These are the statutes empowering the Secretary of the Army to acquire by condemnation lands needed for rivers and harbors projects and flood-control projects. The third was the Flood Control Act of 1944, the fourth, the Public Works Appropriation Act of 1956 appropriating money for Oahe Dam and the fifth was title 40, United States Code Annotated, section 258a, the Declaration of Taking Act.

The court held that all these were general statutes and, therefore, did not indicate the specific intention of Congress to authorize the condemnation of Indian lands under the rules previously cited.

On March 24 the United States District Court for the District of Columbia in the case of the Seneca Nation of Indians against Wilber H. Brucker, Secretary of the Army, decided that "a review of the legislative history leading to and including the Appropriation Act of August 26, 1957, which appropriated and earmarked \$1 million for the construction of the Allegheny Reservoir project manifested a clear Congressional intention to authorize the construction of the project."

While the Seneca case was an application for an injunction and while the Standing Rock case was straight condemnation and while some of the statutes involved can be distinguished, it is hard to reconcile the two cases. In the Seneca case the court found that the general language of the Appropriation Act of

1957 appropriating money for the Allegheny project even though general legislation indicated clearly enough the intention of Congress to abrogate an Indian treaty. The Standing Rock case rejected the same contention on the part of the Government with respect to the Public Works Appropriation Act of 1956.

The two foregoing cases are here cited as indicating the conflict in these cases involving the power of the Federal Government to condemn Indian tribal lands for water resource projects. It will require a definitive appellate decision to resolve the question.

For the present, the right of entry and the power to condemn the tribal land needed for Yellowtail Dam has been determined pending appeal.

The Department of Interior instituted an action for the condemnation of the tribal lands of the Crow Tribe needed for Yellowtail Dam. Attorneys for the Crow Tribe moved to dismiss the action. On January 8, 1957, Hon. Charles N. Pray, district judge of United States District Court, Montana District, denied the motion to dismiss in an opinion reported in volume 152 Federal Supplements, page 861. Judge Pray held that the Flood Control Act of 1944, the General Condemnation Act and the appropriation acts indicated a Congressional intention to give the Department of Interior authority to such condemnation of the Crow tribal lands.

After the passage of Senate Joint Resolution 12 in the other body and its amendment and passage in this body another decision was handed down in the Crow condemnation case. In the intervening time, Judge Pray had retired and the presiding judge was Hon. W. J. Jameson. On May 15, 1958, Judge Jameson filed an opinion affirming Judge Pray's previous decision sustaining the right of the United States to condemn Crow tribal land.

Judge Jameson relied on the authorization act—Flood Control Act of 1944—the appropriation acts and language in the committee reports to find the expression of the specific Congressional intention necessary in these cases. This decision may be in conflict with the Standing Rock decision and was so treated in Judge Jameson's opinion. The court said "While the case is also distinguishable in some other respects—and was distinguished from Judge Pray's prior opinion by the court there—it does support defendant's position here." That is, the position of the Crow Tribe that the condemnation action should be dismissed.

Therefore, if the South Dakota court is sustained on appeal, the Montana decision would be questionable; at least in view of the conflicting decisions the question is open.

Senate Joint Resolution 12 transfers the land needed for Yellowtail Dam from the Crow Tribe to the United States so there is the specific manifestation of Congressional intention to take the land that a strict application of the rule seems to require. Whether the South Dakota court or the Montana and District of Columbia courts are sustained

on appeal the transfer under Senate Joint Resolution 12 would be approved.

The second part of the controversy has been the question of whether or not the power-site value should be considered in determining just compensation for the lands taken.

The Montana Congressional delegation has steadfastly contended that the waterpower value should be included in arriving at just compensation. Consideration of this value was the justification for arriving at the \$5 million figure which was passed by both Houses of the 84th Congress but vetoed by the President.

On the other hand, the Department of Interior and Justice has just as steadfastly contended that power-site value could not be considered in determining just compensation. In the departmental report, the Secretary of the Interior said—

Under the constitutional concept of just compensation an owner of land taken by the Government is ordinarily entitled to receive compensation measured by the fair market value of the land considering the uses of which that land is capable, or to which it reasonably may be expected to be adapted, by the owner or a purchaser other than the condemnor. It is the loss to the owner of such value, as well as severance damage, which is the loss, if any, occasioned by the taking in the value of the owner's remaining lands, that is encompassed within the term "just compensation." And, as recently as January 23 of this year in *United States v. Twin City Power Co.* (24 L. W. 4073) the Supreme Court reaffirmed the principle enunciated in *United States v. Chandler-Dunbar Water Power Co.* (229 U. S. 53 (1913)), that the adaptability of land as a site for a hydroelectric project, that is to say, power-site value, is not an element to be considered by the courts in determining just compensation in the constitutional sense when the United States is the condemnor of land bordering a navigable stream.

Nevertheless, the Secretary negotiated with the Crow Tribe and made an offer of \$1½ million.

In 1951 in an effort to arrive at an amicable agreement which could be recommended to the Congress for its approval, the Department proposed to the Crow Tribe a payment of \$1,500,000 for the tribal land required for the Yellowtail unit. As indicated earlier herein, at that time it was considered that the land required embraced a somewhat larger area than that presently contemplated. The proposal of \$1,500,000 was again presented to the tribe in December of 1953. In each instance, the proposal was rejected. (Department of Interior report on H. J. Res. 516, 84th Cong.)

In his veto message on the award of \$5 million, President Eisenhower rejected power-site value as an element of just compensation on the basis of the Twin City Power case cited above and after eliminating the waterpower value concluded that an award of \$5 million was "extravagant."

Since the passage of Senate Joint Resolution 12 in the House, we have had a judicial determination of the question of whether or not waterpower or power-site value is to be considered as a part of just compensation. This was the second part of Judge Jameson's decision in the



case of United States against 5,677.94 acres of land, more or less, of the Crow Reservation and other Civil No. 1825 above mentioned.

Judge Jameson distinguished the Twin City case and held it was not controlling in the instant litigation. It was held that the Twin City Power Co. case was limited to its application to a navigable stream. Then Judge Jameson ordered that the issue of whether or not the Big Horn River was navigable should be tried on July 8, 1958.

But, regardless of the issue of navigability, Judge Jameson held that the waterpower value must be considered as a part of just compensation because of section 10 of the Crow Allotment Act of 1920 that the lands "chiefly valuable for the development of waterpower shall be reserved from allotment or other disposition for the benefit of the Crow Tribe of Indians." The court further relied on the proviso of section 110e of the Federal Power Act, title 16, United States Code Annotated, section 803e:

*Provided*, That when licenses are issued involving the use of Government dams or other structures owned by the United States or tribal lands embraced within Indian reservations the Commission shall, subject to the approval of the Secretary of the Interior in the case of such tribal lands, subject to approval of the Indian tribe having jurisdiction of such lands as provided in section 476 of title 25, fix a reasonable annual charge for the use thereof.

Under this section, the Montana Power Co. rents a power site for Kerr Dam from the Flathead Indians on the Flathead Reservation. The comparison between Kerr Dam and Yellowtail was made when this bill was originally debated but it merits a brief mention here. Kerr Dam has a capacity of 180,000 kilowatts compared to the 200,000 at Yellowtail. The storage capacity of the two dams is approximately the same. Two thousand one hundred acres of tribal land was taken at Kerr Dam in comparison to the 7,000 acres to be taken for Yellowtail. Under the present agreement the Montana Power Co. pays the Flathead Tribe \$175,000 per year for rental for the Kerr site. This is subject to renegotiation after 20 years, which will be in 1959, and after 50 years the title to the dam reverts to the tribe under the present contract. Even if renegotiation does not result in an increased rental, the rental over the 50 years will total \$7,375,000.

On the basis of the formula for waterpower value in the Pelton Dam case in Oregon by the Interior Department's own figures the value at Yellowtail would be between \$3,710,000 and \$4,575,000.

So the waterpower value may be considerably more than \$2,500,000. This is not an open-ended thing, however. Any condemnation authorization would require that the Federal Government pay just compensation and the Federal court can be relied upon to protect the interests of both the Government and the tribe and equitably apply the rules of law.

The money provided for here would have to be appropriated because of language in the current appropriation bills

preventing the use of Missouri Basin account money for Yellowtail Dam.

In justification of the conference committee's decision to permit the Crow Tribe to sue for any additional amount believed to be justified I can do no better than to quote the recommendations of the Department of the Interior in the 1956 departmental report:

Whatever the amount provided by the Congress, in the absence of agreement by the tribe to accept such sum in full and final settlement of all tribal claims for the transfer to the United States of the tribe's interest in the lands in question, the tribe, in our judgment, would be entitled under section 1505 of title 28 of the United States Code to a judicial determination of whether any additional amount is required to constitute just compensation. The availability of judicial review would be made entirely clear by expressly providing for jurisdiction in the Court of Claims under section 1505. This section confers jurisdiction upon the Court of Claims to determine any Indian tribal claim accruing after August 13, 1946, if such claim is one "arising under the Constitution, laws or treaties of the United States \* \* \* or is one which otherwise would be cognizable in the Court of Claims if the claimant were not an Indian tribe."

In that event, however, if the Congress is to provide a sum of \$1,500,000 or more, relatively early judicial review should be required and it should also be clear that the amount provided by the Congress, together with the rights reserved to the tribe in the legislation, is to be considered by the Court of Claims in arriving at a judicial conclusion as to just compensation.

I hope this conference report is adopted.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Mr. Speaker, I would like to ask the gentleman from Montana, does this permit the Indians to go into court if they are not satisfied with the \$2½ million?

Mr. METCALF. The language of the conference report permits the Indians to try to get more than the \$2½ million, if they are not satisfied.

Mr. MILLER of Nebraska. Has it been settled whether there are or not valuable minerals on this particular site?

Mr. METCALF. No one knows whether there are or not. But I know of no discovery of valuable minerals in this area.

Mr. MILLER of Nebraska. One more question, if I may. The \$2½ million, or any amount that might be recovered in court by a suit, does that come out of the funds of the Bureau of Reclamation?

Mr. METCALF. Originally it was to come from the Missouri Basin account but, under the conference report, it is to come from a direct appropriation for the construction of the dam.

Mr. MILLER of Nebraska. Suppose the amount is over \$2½ million, then where would the money come from?

Mr. HALEY. Then it would come from the General Treasury.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Colorado.

Mr. ASPINALL. When this measure was on the floor of the House, the Members were advised that the committee, if

they went to conference, would come back with the House bill provisions in certain aspects. I can assure my colleagues that we came back with the House bill on its important provisions. We did not give an inch on the amount. We kept the amount approved by the House and also the procedure which permits the tribe to sue if they see fit. This was the intent of the committee as the bill was forwarded to the House for its disposition. But, whatever they get, it will have to be in addition to the \$2½ million that the legislation provides.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I should like the Members of the House to know what is in this conference report. This is the first time I have ever known a conference report to come back to the House containing the equivalent of a blank check that is signed and delivered. As the gentleman from Colorado [Mr. ASPINALL] has stated, it is true that the conferees came back and have kept the House figure of \$2.5 million, but in addition they did this remarkable thing: They said:

We do not know what the value of this dam site is, we do not know what the value of this property is, but we will give you \$2.5 million and, in addition to a grant of \$2.5 million, we will give the Crow Indian Tribe the right to go into court and bring suit and prove any damages they can against the Federal Government. We guarantee to the Crow Indian Tribe that they cannot receive less than \$2.5 million and, if there is any mineral discovery, if there is any element of value which has not been considered by the conference, that can be considered by the court and the moneys will be paid to the Indian tribe.

There is absolutely no limit to what this conference report will authorize.

I should like to ask the gentleman from Florida whether or not that is a correct interpretation of this conference report.

Mr. HALEY. I think the Indians have the right to go into court, which is a right I think every American citizen has. The Bureau is on the side of the Indian tribe you might say. They sent up a report on this. As the gentleman knows, they said they would not oppose \$2.5 million. The gentleman is well aware of the fact that the Indians are very unhappy about this provision. They do not want to take the \$2.5 million. The other body thought it was worth \$5 million. If the gentleman wants to argue this joint resolution, we have merely brought back here a conference report which in sum and substance keeps the absolute dollar that the House wrote into the joint resolution.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield.

Mr. MILLER of Nebraska. It occurs to me that I got the wrong answer when I was asking a question a few moments ago. On the first page of the conference report it is stated:

Strike out section 1 of the House amendment and insert in lieu thereof: "That, from

funds appropriated to the Department of the Interior, Bureau of Reclamation, for the Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians, Montana, the sum of \$2,500,000."

So the money does come out of the reclamation fund, and any money that might be given to them by suit also comes from the reclamation fund.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Colorado.

Mr. ASPINALL. In this respect the conference report contains the identical language that was in the House joint resolution and the original joint resolution from the other body. We have not changed that language one whit. As far as the additional award is concerned, if any is made it will come from the General Treasury.

Mr. MILLER of Nebraska. Then I do not read the conference report right. The Senate recedes from its disagreement to the amendments of the House and agrees to the same with an amendment as follows: Strike out section 1 and do the very thing it says, take the money out of the reclamation fund. We struck out the House language and put in the language I have just read, which takes the \$2.5 million from the Department of the Interior, the Bureau of Reclamation, Missouri River Basin project funds, and transfers it to the Treasury of the United States.

Mr. ASPINALL. I wish to read from Senate Joint Resolution 12 the words immediately following the resolving clause:

That, from funds appropriated to the Department of the Interior, Bureau of Reclamation, for the Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians, Montana, the sum of \$5 million.

Now I wish to read from House Joint Resolution No. 2, after the resolving clause:

From funds appropriated to the Department of the Interior, Bureau of Reclamation, Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians the sum of \$5 million.

Now I wish to read from the conference report:

Strike out section 1 of the House amendment and insert in lieu thereof: "That from funds appropriated to the Department of Interior, Bureau of Reclamation, for the Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians, Montana, the sum of \$2,500,000."

In other words, it is taking the funds from the Missouri River Basin fund in the Bureau of Reclamation and crediting it to the Indian Tribes. That is the same language and to me means the same thing in all three instances.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I would just like to tell the Members there is evidence that

in this area which will be flooded there are rich uranium deposits. As to the amount, no one knows and an authority on that subject told me that no one would be in a position to state what their value was; whether they had any recoverable value or whether or not it was only an isolated instance where it is not possible to mine them and that that would not be determined until after another area was drilled and that that can be done within 3 years, and as I say, it would constitute writing a blank check if valuable deposits of minerals were discovered in that area.

Mr. HALEY. Mr. Speaker, may I say to the distinguished gentleman from Pennsylvania the people in Montana call their State the Treasure State and they think there are treasures everywhere. The gentleman from Florida does not know whether there is a gold mine out there or a copper mine or what might be out there. The gentleman from Florida does not know what deposits there might be there, but I understand that as of this time there are no known minerals in this immediate area.

Mr. METCALF. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Montana [Mr. METCALF] to answer the gentleman's question.

Mr. METCALF. Mr. Speaker, I know of no place and I know of no one who has located a claim on this reservation. I know of no one who says that there are minerals or uranium or oil in this area except Mr. Yellowtail, who is opposed to this bill, and has been opposed to it and who is trying to use every device possible to defeat this legislation.

Mr. PILLION. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from New York.

Mr. PILLION. Is this not the project which the hearings in the Department of the Interior established the value of these approximately 7,000 acres to be somewhere between \$35,000 and \$70,000?

Mr. HALEY. I yield to the gentleman from Montana.

Mr. METCALF. The value of the actual land to be inundated is something less than \$50,000. But, the United States District Court for Montana has held that in addition to that by treaty and by legislation and by previous action of this Congress there is a power site value that the Department of the Interior witnesses said was worth an awful lot of money, and witnesses testified it was \$5 million, and the United States District Court for South Dakota in a recent opinion has sustained that position and has held that in the interest of the Indian tribes concerned, they must be paid for that power site.

Mr. PILLION. But similar land without the power site about to be built there would be of the value of similar land, and that would be roughly about \$50,000?

Mr. METCALF. That is correct.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield.

Mr. ARENDS. The only thing I am interested in about the conference report, not knowing in detail too much about it, is the fact that no minority member signed the conference report and I am wondering if there is some reason why they did not. It was not signed by any minority member. I thought someone might explain what the situation was, but I notice no minority member signed the conference report.

Mr. HALEY. Mr. Speaker, I yield to the gentleman from Illinois [Mr. COLLIER] to answer the gentleman's inquiry.

Mr. COLLIER. Mr. Speaker, permit me to explain my position which was undoubtedly the position of the other Republican member of the House conferees. We declined to sign the report because section 2 or section 3 of the bill, as the gentleman from Pennsylvania pointed out, was strictly open end and it invites suit while under the general law the Crow Tribe would have the right to sue anyway or to pursue litigation.

The fact remains that we could not repeal this type of claim by closing the door to that. In view of the increase in the number of Indian claims of late, we are going to be faced with the situation where we are going to have to close the open end in making agreements. I think this should be a case of either taking the 2½ million or going to court and see what the court awards. In consideration of the fact that the land was appraised at \$45,000, it seems like a tremendous act of generosity on the part of the House even if that were the final settlement. But I do not like to see legislation passed where you grant \$2½ million for a piece of property valued at \$45,000, and then have an invitation in the same legislation to sue for anything more that they feel they might be able to get. That was my reason for declining to sign the report. And that is probably the same reason why my colleague did not sign it.

Mr. HALEY. I thank the gentleman. I am sure that he feels as I do, that if there are any tremendous values there we would not want to cut off the Indians from having their day in court.

Mr. BERRY. Will the gentleman yield?

Mr. HALEY. I yield.

Mr. BERRY. Does not this bill simply do two things: First, it transfers title from the tribe to the United States Government, and that because of the treaty rights held by these Indians it is necessary, this being tribal land, that the Congress make this transfer.

Secondly, it pays the Indians what the Congress thought was a fair and reasonable price for the land and for the dam site. The courts have held that a reasonable value of the dam site should be included in this classification. It leaves open the fact that if the tribe is not satisfied and they believe there is more value there than the 2½ million, they may either go into the Federal court or the Court of Claims and ask for additional money, and if the courts decide that their land is worth more than the 2½ million they may then collect.

Mr. HALEY. The gentleman is absolutely correct. That same proposition



was argued here, and we went over that prior to the passage of the bill.

Mr. MILLER of Nebraska. Will the gentleman yield?

Mr. HALEY. I yield.

Mr. MILLER of Nebraska. I want to ask, Was the decision of the court recently for \$5 million or \$2,500,000?

Mr. HALEY. I yield to the gentleman from Montana.

Mr. METCALF. The court appointed commissioners to go down there and inspect the site, but the court held that the power site value, and the treaty rights, and all these other special rights which the Indian tribe had must be included in determining the value. The court has not set any price as yet.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. HALEY. Mr. Speaker, I ask unanimous consent that I may extend my remarks on the conference report at this point in the Record and that other Members may have the same privilege and that I may revise and extend the remarks I just made.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, Senate Joint Resolution 12 provides for the acquisition by the Federal Government of Indian tribal lands which it needs for construction of the Yellowtail dam and reservoir, a unit of the Missouri River Basin project. Argument over whether these lands can be taken and, if so, how much should be paid for them has been going on for more than 10 years. The matter has been before the Congress for at least 6 years. Adoption of the conference report on Senate Joint Resolution 12 will, I hope, furnish a sound and reasonable basis for settling the argument.

The principal difference between Senate Joint Resolution 12 as it passed the Senate and as it was amended in the House was the amount to be paid for the Yellowtail site. The Senate figure was \$5 million and the House figure \$2,500,000. The conferees recommend \$2,500,000.

In vetoing a similar measure in 1956—Senate Joint Resolution 135, 84th Congress—which provided for payment of \$5 million, the President said, among other things, that this amount was extravagant. Many Members of the House agreed with this, since when we considered that measure in the 84th Congress we wrote a limit of \$1,500,000 into it.

Because of this and because we believe \$2,500,000 to be a generous amount, the House conferees on the current bill stuck to it and the Senate conferees agreed. The report of the Interior Department dated March 29, 1957, which came to our committee without objection from the Bureau of the Budget, indicates that this figure will be acceptable to the executive branch.

In accepting the \$2,500,000 which the House had agreed to rather than the

Senate's \$5 million, however, the Senate conferees called for reinstatement of a provision permitting the Crow Tribe to sue for additional compensation if it believes that \$2,500,000 is less than it is entitled to as just compensation under the Constitution and laws of the United States. Such a provision was included in the joint resolution originally introduced in the House and was not objected to by the Interior Department or the Bureau of the Budget.

Even though we believe \$2,500,000 to be more than enough to compensate the Indians for their lands and to give them, as both House and Senate versions provided, a share of the special value which the Yellowtail dam site has to the Government, the House conferees could not well refuse to let the Indians have their day in court if they honestly believe that the Constitution entitles them to more than we are allowing them. Indeed, it would take affirmative legislation closing the courts to them to keep them out, for section 1505 of title 28, United States Code, is general legislation allowing them to come in.

Care has been taken in drafting the conference amendment to make three points clear:

First. That the Congress does not admit that the Government is legally obligated to pay more than just compensation to the tribe.

Second. That the Congress does not admit that power site value or dam site value is a proper element of just compensation under the Constitution and laws of the United States.

Third. That the joint resolution will not result in the tribe's being compensated twice for the same thing.

All of these are clearly spelled out in the conference language. This language insures that if the tribe decides to sue and if just compensation is judicially determined to be less than \$2,500,000 it will have gained nothing by its suit. Likewise, if it is judicially determined that just compensation is more than \$2,500,000, that amount will be subtracted from the judgment before it is paid.

Our language is also designed to avoid either aiding or prejudicing the tribe or the Government in their respective contentions with respect to the constitutional necessity of compensation for power site value. This is a point about which there is a dispute between, on the one hand, the Justice and Interior Departments and, on the other hand, the Crow Tribe. Our proposal is to leave it to the courts to determine whether this is an element of just compensation in the circumstances of this case and whether, if it is, it is adequately covered by the \$2,500,000 allowance.

Other points of difference between the House and Senate versions of Senate Joint Resolution 12 were minor and readily settled. It was agreed that the preamble which the Senate version contained should be stricken as the House proposed. Corrections to the land description which had been made by the House were accepted. A provision prohibiting the payment of attorney fees from the \$2,500,000 which the House had

adopted was accepted by the Senate but was modified to make it clear that the prohibition does not run to attorney fees earned in connection with litigation. And it was agreed that the bill should not contain a provision with respect to the distribution of funds which the House wished but which the Senate and the Crow Tribe objected to.

Mr. ANDERSON of Montana. Mr. Speaker, of course, I am disappointed that this legislation does not provide more than \$2½ million as an initial payment to the Crow Indians for this dam site. Two different engineers who appraised this site for the Government said it was worth more than \$4½ million. Mr. Barry Dibble, an engineer who appraised the site for the Crow Tribe, reported that it was worth \$5 million. I think we might well have accepted the Senate figure of \$5 million in full settlement, since the Crow Tribe has indicated that they regard this as a fair figure.

Nevertheless, this conference committee report does provide that eventually the Indians will receive the full value of the dam site. Nothing in this amended bill is intended to be construed as in any way limiting the final settlement figure to \$2½ million, or any other figure below its actual, full value. The Crow Tribe is authorized to start suit in either the district court or the Court of Claims for any additional values over and beyond the \$2½ million which are provided to be paid immediately. We are taking from the Indians none of the rights they now have, and we are providing for immediate transfer to their account of their \$2½ million which now becomes a floor figure, a guaranty that they will receive at least that much for their dam site.

At the same time, this bill provides an adequate title to the Government so that the long-delayed construction of this key dam on the Big Horn River can be gotten underway. I shall not impose on the time of my colleagues at this late hour, but a few of the values of this development should be pointed out. First in importance, of course, is the production of 200,000 kilowatts of power. In a State and a district that is primarily agricultural, we look forward to the development of industry as this low-cost power becomes available. Industry will broaden our economic base and broaden our tax base, helping to stabilize an economy which is now all too dependent on the vagaries of rainfall, crop conditions and farm prices.

This is a multipurpose dam and new acres will be brought under irrigation to stabilize the agricultural economy, providing hay, grain, and other products, even in years of drought.

The recreational value of this reservoir on the Big Horn will be fully exploited and enjoyed by people from all over the Midland Empire, which surrounds it. The benefits of flood control and silt control will extend downstream to benefit residents of neighboring States and others all the way down the great Missouri and Mississippi Valleys. Let us pass this conference report and get on with this sound and profitable investment in America's future.

# CONSTRUCTION AND SALE OF SUPERLINER PASSENGER VESSELS

Mr. BONNER. Mr. Speaker, I call up the conference report on the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill. The Clerk read the conference report. The conference report and statement are as follows:

## CONFERENCE REPORT (H. REPT. NO. 2100)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

HERBERT C. BONNER,  
FRANK W. BOYKIN,  
EDWARD A. GARMATZ,  
THOR C. TOLLEFSON,  
JOHN J. ALLEN, JR.,

*Managers on the Part of the House.*

WARREN G. MAGNUSON,  
JOHN O. PASTORE,  
JOHN M. BUTLER,  
NORRIS COTTON,

*Managers on the Part of the Senate.*

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

In the past several years the United States has been suffering from a serious deficiency in its mobilization base due to the lack of large, safe, modern passenger vessels for immediate conversion to troopships in time of emergency. There is also a great and growing demand for an increase in the passenger-carrying segment of the American merchant marine. H. R. 11451 is a bill to help meet these deficiencies in shipping services presently inadequately served by American-flag ships.

The Atlantic superliner will replace the aging *S. S. America* and provide additional capacity for the North Atlantic with a sister ship to the *S. S. United States*, and the Pacific ship will augment the trans-Pacific service rendered by the *S. S. President Wilson* and *Cleveland* in a trade which is rapidly growing. The bill was found necessary because the Merchant Marine Act of 1936 is not entirely adequate to assure the construction of vessels in the superliner category, involving highly complex questions of construction subsidy determination, differentiation between commercial and defense features, American versus foreign construction and safety standards, determination of special governmental assistance received by competing foreign passenger ships and other mat-

ters of opinion subject to a wide variation of viewpoints. Failure of the former Maritime Commission to recognize the inadequacy of existing law resulted in lengthy controversy over the contracts for the construction of the *S. S. United States* and two other superliners after World War II.

The 1936 act anticipated the probable need for superliners, but did not attempt to prescribe the precise legislative provisions necessary to assure their construction. Accordingly, after full study and lengthy hearings, it was found that in order to make it possible for an American operator to secure an economic return in accordance with the parity principle of the act, it was necessary that the imponderables and ambiguities encountered when the steamships *United States*, *Constitution*, and *Independence* were constructed be resolved through special legislation. This bill, by establishing special pricing provisions based upon the special characteristics of each of the ships authorized, clarifies those matters that were the source of the previous controversy, and at the same time fully protects the interest of the Government.

The paramount justification for superliners of the category covered by this bill is the national security. The testimony in both Houses was emphatic on this point. The special speed capability and the high standards of wartime safety and stability which have been built into the *S. S. United States*, including such features as watertight subdivision, aluminum deckhouse structure, lightweight piping, and the highest degree of fire resistance are well known and were important in the consideration of this bill. On the basis of fully qualified military testimony, it is understood that these features improve both the safety and speed of the vessel if put to use as a wartime troopship. Accordingly, it is the intent of this bill that the national defense features of each of the new superliners will incorporate the same high standards of design and construction as those of the *S. S. United States*, and that the speed built into the vessels will be as high above the commercial operating speeds established in the hearings as is practicable, considering the hull designs and types of vessels authorized. The importance of high defense construction standards must be emphasized.

As amended by the Senate, the bill would add a new section as follows:

"No common carrier by water subject to the Shipping Act of 1916, as amended; the Merchant Marine Act of 1936, as amended; or any other act; shall directly or indirectly issue any ticket or pass for the free or reduced-rate transportation to any official or employee of the United States Government (military or civilian) or to any member of their families, traveling as a passenger on any ship sailing under the American flag in foreign commerce or in commerce between the United States and its Territories and possessions; except that this restriction shall not apply to persons injured in accidents at sea and physicians and nurses attending such persons and persons rescued at sea. Nothing contained in this section shall prohibit any common carrier by water, under such terms and conditions as the Board may prescribe, from interchanging with any other common carrier by water free tickets, free passes, or free or reduced-rate transportation for their directors, officers, and employees and their immediate families, unless such individuals are also employees of the United States Government."

The conference managers on the part of the House disagreed with the Senate amendment for the following reasons:

1. There is no appropriate place for the amendment in the bill. The purpose of the bill is to authorize the construction and specify the method of financing the construction of two superliners for the Atlantic and Pacific Oceans in accordance with the

Merchant Marine Act of 1936, subject to the necessary modifications provided for by the bill. The amendment has nothing to do with the purpose of the bill and would apply to all common carriers by water subject to the Shipping Act of 1916, the Merchant Marine Act of 1936, or any other act. In the opinion of the managers on the part of the House the amendment is not germane.

2. There is already statutory prohibition against passenger carriage below tariff rates with respect to the coastwise and inter-coastal commerce of the United States. The amendment, covering a smaller part of this same field, would certainly confuse and might weaken the broader statute.

3. The amendment has implications far beyond those apparent on its face. For example, the Military Sea Transportation Service presently enters into contract arrangements with private American-flag carriers for transportation of civilian and military personnel of the Department of Defense and their dependents. The proposed amendment would upset these arrangements, which have been found to be very satisfactory from the Government's standpoint. It is estimated that if the amendment becomes law it will cost the Defense Department alone as much as \$1,250,000 to \$1,500,000 additional per year to move military and civilian personnel and their dependents overseas on existing carriers.

Postal employees must travel on some ships in connection with the movement of the mails. Existing law authorizes Post Office officials to travel free on American ships when on official business.

Similarly, departmental personnel such as Maritime and Coast Guard employees would, on occasion, have to travel on American ships in connection with their functions relative to the particular ships. There are undoubtedly many other legitimate occasions for free or reduced rate travel while on official business. A proposal such as that contained in the amendment should not proscribe these wholly legitimate activities.

4. The amendment can only be made applicable to American water carriers who for the most part are in competition with foreign steamship lines in international trade. These foreign lines (many of which are nationally owned or controlled) would not be affected by the amendment.

Matters concerning passenger rates, fares, and tariffs are controlled by the member companies of the international steamship passenger conferences. It is understood that the conference agreements contain provisions regulating these matters on a uniform basis to avoid unfair or discriminatory practices. The Committee on Merchant Marine and Fisheries has announced early commencement of a comprehensive study of the steamship conference system and intends to include consideration of the questions involved in the amendment.

5. There is no evidence of existing abuses.

6. The amendment would be administratively difficult to handle, and is not clear as to its meaning in all respects.

7. No hearings have been held in either House on the subject matter of the amendment.

8. A bill, S. 306, is presently pending before the Senate Interstate and Foreign Commerce Committee which is intended to cover the objectives of the amendment. If the objectives of the amendment are desirable, they should be appropriately considered in connection with the pending bill.

9. Only through appropriate hearings can the ramifications of the amendment be fully disclosed and effective legislation written if such is found to be necessary.

For the foregoing reasons the conference managers on the part of the House felt compelled to disagree to the Senate amendment, and the Senate receded therefrom. It is hoped, however, that the subject matter of



the amendment, in the form of S. 306 or otherwise, will be given full hearings to determine the need for corrective legislation.

In view of the foregoing agreement of the conferees the proposed conference substitute is identical with the House bill.

HERBERT C. BONNER,  
FRANK W. BOYKIN,  
EWARD A. GARMATZ,  
THOR C. TOLLEFSON,  
JOHN J. ALLEN, Jr.,

*Managers on the Part of the House.*

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield.

Mr. PELLY. Mr. Speaker, I regret that the House-Senate conferees did not retain the Senate amendment which would have prohibited the private shipping lines from extending free or reduced travel rates to officials or employees of the Federal Government or their families. I do not believe that Members of Congress or anyone connected with the granting of subsidies should be allowed to accept or offer fares more favorable than is available to the general public.

In this instance, Congress has authorized the construction of 2 superliner passenger vessels at a total cost of something like \$210 million and then in turn has approved the sale of these 2 ships to private operators for about \$80 million. Any special favors to those who negotiated such arrangements obviously would be out of order. But let me make it clear I do not criticize invitations for excursions or trial runs of new or modernized vessels where education and publicity is the object and where all guests are on an equal basis. Historically for promotion purposes short voyages or nonscheduled shake down trips are made and public officials participate without any sense of obligation and I do not object to Members or their families taking such trips.

However, I would express the hope that in time an overall standard or set of rules of ethics for officials and employees of both branches of Government will be established so that the public confidence in our form of government will be strengthened. Meanwhile, I suggest that the Williams amendment which was not agreed to by the conferees should have been adopted because there is no reason that shipping lines should be on a different basis than railroads or airlines. Certainly public opinion supports an absolute prohibition against public officials being given special rates by the medium which they are under the responsibility of regulating.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### LAKE O' THE PINES

Mr. DAVIS of Tennessee. Mr. Speaker, I have two consent requests both of which have been cleared with the majority and ranking minority members of the Committee on Public Works, and also with the majority and minority leaders.

Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 633, to designate the lake formed by the Ferrells Bridge Dam across Cypress Creek in Texas as Lake O' the Pines.

The Clerk read the resolution, as follows:

*Resolved, etc.,* That the reservoir formed by the Ferrells Bridge Dam across Cypress Creek in Texas, authorized to be constructed by section 11 of the Flood Control Act of 1946, is hereby designated as Lake O' the Pines. Any law, regulation, map, document, record, or other paper of the United States in which such reservoir is referred to shall be held to refer to such reservoir by the name of Lake O' the Pines.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### FLOOD CONTROL COMPACT BETWEEN STATES OF CONNECTICUT AND MASSACHUSETTS

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2964) granting the consent and approval of Congress to a compact between the State of Connecticut and the State of Massachusetts relating to flood control. This also has been cleared with both sides.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the consent and approval of Congress is given to the compact between the State of Connecticut and the State of Massachusetts relating to flood control. Such compact reads as follows:

##### "ARTICLE I

"The principal purposes of this compact are: (a) To promote interstate comity among and between the signatory States; (b) to assure adequate storage capacity for impounding the waters of the Thames River and its tributaries for the protection of life and property from floods; (c) to provide a joint or common agency through which the signatory States, while promoting, protecting, and preserving to each the local interest and sovereignty of the respective signatory States, may more effectively cooperate in accomplishing the object of flood control and water resources utilization in the basin of the Thames River and its tributaries.

##### "ARTICLE II

"There is hereby created 'The Thames River Valley Flood Control Commission', hereinafter referred to as the 'commission', which shall consist of 6 members, 3 of whom shall be residents of the Commonwealth of Massachusetts; 3 of whom shall be residents of the State of Connecticut.

"The members of the commission shall be chosen by their respective States in such manner and for such terms as may be fixed and determined from time to time by the law of each of said States respectively by which they are appointed. A member of

the commission may be removed or suspended from office as provided by the law of the State for which he shall be appointed, and any vacancy occurring in the commission shall be filled in accordance with the laws of the State wherein such vacancy exists.

"A majority of the members from each State shall constitute a quorum for the transaction of business, the exercise of any of its powers or the performance of any of its duties, but no action of the commission shall be binding unless at least two of the members from each State shall vote in favor thereof.

"The compensation of members of the commission shall be fixed, determined, and paid by the State which they respectively represent. All necessary expenses incurred in the performance of their duties shall be paid from the funds of the commission.

"The commission shall elect from its members a chairman, vice chairman, and a clerk-treasurer. Such clerk-treasurer shall furnish to the commission, at its expense, a bond with corporate surety, to be approved by the commission, in such amount as the commission may determine, conditioned for the faithful performance of his duties.

"The commission shall adopt suitable by-laws and shall make such rules and regulations as it may deem advisable not inconsistent with laws of the United States, of the signatory States or with any rules or regulations lawfully promulgated thereunder.

"The commission shall make an annual report to the governor and legislature of each of the signatory States, setting forth in detail the operations and the transactions conducted by it pursuant to this compact.

"The commission shall keep a record of all its meetings and proceedings, contracts and accounts, and shall maintain a suitable office, where its maps, plans, documents, records and accounts shall be kept, subject to public inspection at such times and under such regulations as the commission shall determine.

##### "ARTICLE III

"The commission shall constitute a body, both corporate and politic, with full power and authority: (1) to sue and be sued; (2) to have a seal and alter the same at pleasure; (3) to appoint and employ such agents and employees as may be required in the proper performance of the duties hereby committed to it and to fix and determine their qualifications, duties and compensation; (4) to enter into such contracts and agreements and to do and perform any and all other acts, matters and things as may be necessary and essential to the full and complete performance of the powers and duties hereby committed to and imposed upon it and as may be incidental thereto; (5) to have such additional powers and duties as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of either of said States, concurred in by the legislature of the other State and by the Congress of the United States.

"The commission shall make, or cause to be made, such studies as it may deem necessary, in cooperation with the Corps of Engineers, United States Army, and other Federal agencies, for the development of a comprehensive plan for flood control and for utilization of the water resources of the Thames River Valley.

"The commission shall not pledge the credit of the signatory States or either of them.

##### "ARTICLE IV

"The Commonwealth of Massachusetts wherein is located the site of each of the following dams and reservoirs agrees to the construction by the United States of each

such dam and reservoir in accordance with authorization by the Congress:

"(1) At East Brimfield on the Quinebaug River controlling a drainage area of approximately 67 square miles and providing flood control storage of approximately 8 inches of runoff from said drainage area.

"(2) At Buffumville on the Little River controlling a net drainage area of approximately 26 square miles and providing flood control storage of approximately 8 inches of runoff from said drainage area.

"(3) At Hodges Village on the French River controlling a drainage area of approximately 30 square miles and providing flood control storage for approximately 8 inches of runoff from said drainage area.

"(4) At Westville on the Quinebaug River controlling a drainage area of approximately 90 square miles and providing flood control storage for approximately 2.5 inches of runoff from said drainage area.

#### "ARTICLE V

"The State of Connecticut agrees to reimburse the Commonwealth of Massachusetts 40 percent of the amount of taxes lost to their political subdivisions by reason of acquisition and ownership by the United States of lands, rights, or other property therein for construction in the future of any flood control dam and reservoir specified in article IV and also for any other flood control dam and reservoir hereafter constructed by the United States in the Thames River Valley in Massachusetts.

"Annually, not later than November 1 of each year, the commission shall determine the loss of taxes resulting to political subdivisions of the Commonwealth of Massachusetts by reason of acquisition and ownership therein by the United States of lands, rights or other property in connection with each flood control dam and reservoir for which provision for tax reimbursement has been made in the paragraph next above. Such losses of taxes as determined by the commission shall be based on the tax rate then current in each such political subdivision and on the average assessed valuation for a period of 5 years prior to the acquisition by the United States of the site of the dam for such reservoir, provided that whenever a political subdivision wherein a flood control dam and reservoir or portion thereof is located shall have made a general revaluation of property subject to the annual municipal taxes of such subdivisions, the commission may use such revaluation for the purpose of determining the amount of taxes for which reimbursement shall be made. Using the percentage of payment agreed to in this article, the commission shall then compute the sum, if any, due from the State of Connecticut to the Commonwealth of Massachusetts and shall send a notice to the treasurer of each signatory State setting forth in detail the sum, if any, Connecticut is to pay and Massachusetts is to receive in reimbursement of tax losses.

"The State of Connecticut on receipt of formal notification from the commission of the sum which it is to pay in reimbursement for tax losses shall, not later than July 1 of the following year, make its payment for such tax losses to the Commonwealth of Massachusetts wherein such loss or losses occur, except that in case of the first annual payment for tax losses at any dam or reservoir such payment shall be made by the State of Connecticut not later than July 1 of the year in which the next regular session of its legislature is held.

"Payment by the State of Connecticut of its share of reimbursement for taxes in accordance with formal notification received from the commission shall be a complete and final discharge of all liability by the State to the Commonwealth of Massachu-

setts for each flood control dam and reservoir within that State for the time specified in such formal notification. The Commonwealth of Massachusetts shall have full responsibility for distributing or expending all such sums received, and no agency or political subdivision of the Commonwealth shall have any claim against the State of Connecticut or against the commission relative to tax losses covered by such payments.

"The two States may agree, through the commission, on a lump sum payment in lieu of annual payments and when such lump sum payment has been made and received, the requirement that the commission annually shall determine the tax losses, compute sums due and send notice thereof to the treasurer of each State shall no longer apply with respect to any flood control dam and reservoir for which lump sum payment has been made and received.

"On receipt of information from the Chief of Engineers, United States Army, that request is to be made for funds for the purpose of preparing detailed plans and specifications for any flood control dam and reservoir proposed to be constructed in the Thames River Valley in Massachusetts, including those specified in article IV, the commission shall make an estimate of the amount of taxes which would be lost to the political subdivisions of that State by reason of acquisition and ownership by the United States of lands, rights or other property for the construction and operation of such flood control dam and reservoir and shall decide whether the flood control benefits to be derived from such flood control dam and reservoir, both by itself and as a unit of a comprehensive flood control plan, justifies, in the opinion of the commission, the assumption by Connecticut of the obligation to make reimbursement for loss of taxes. Such estimate and decision shall thereafter be reviewed by the commission at 5-year intervals until such time as the United States shall have acquired title to the site of such flood control dam or plans for its construction are abandoned. The commission shall notify the Governor, the Members of the United States Senate and the Members of the United States House of Representatives from each signatory State and the Chief of Engineers as to the commission's decision and as to any change in such decision.

"On receipt of information from the Chief of Engineers, that any flood control dam and reservoir is to be constructed, reconstructed, altered, or used for any purpose in addition to flood control, including those flood control dams and reservoirs heretofore constructed and those specified in article IV, the commission shall make a separate estimate of the amount of taxes which would be lost to the political subdivisions of the Commonwealth of Massachusetts by reason of acquisition and ownership by the United States of lands, rights, or other property for construction and operation of such dam and reservoir in excess of the estimated amount of taxes which would be lost if the dam were constructed and operated for flood control only and the commission shall decide the extent to which, in its opinion, the State of Connecticut would be justified in making reimbursement for loss of taxes in addition to reimbursement for such dam and reservoir if constructed and used for flood control only. Such estimate and decision shall thereafter be reviewed by the commission at 5-year intervals until such time as such dam and reservoir shall be so constructed, reconstructed, altered, or used or plans for such construction, reconstruction, alteration or use are abandoned. The commission shall notify the governor, the Members of the United States Senate, and the Members of the United States House of Representatives

from each signatory State as to the commission's decision and as to any change in such decision.

"A signatory state may, in agreement with the commission and the Chief of Engineers, acquire title or option to acquire title to any or all lands, rights, or other property required for any flood control dam and reservoir within its boundaries and transfer such titles or options to the United States. Whenever the fair cost to said signatory State for such titles or options, as determined by the commission, is greater than the amount received therefor from the United States, the State of Connecticut shall pay its share of such excess cost to said signatory State, such share to be determined by the commission.

"Whenever the commission shall not agree, within a reasonable time or within 60 days after a formal request from the governor of any signatory State, concerning reimbursement for loss of taxes at any flood control dam and reservoir heretofore or hereafter constructed by the United States in the Thames River Valley in Massachusetts, or concerning the extent, if any, to which reimbursement shall be made for additional loss of taxes caused by construction, reconstruction, alteration, or use of any such dam for purposes other than flood control, the governor of each signatory State shall designate a person from his State as a member of a board of arbitration, hereinafter called the board, and the members so designated shall choose one additional member who shall be chairman of such board. Whenever the members appointed by the governors to such board shall not agree within 60 days on such additional member of the board, the governors of such signatory States shall jointly designate the additional member. The board shall by majority vote decide the question referred to it and shall do so in accordance with the provisions of this compact concerning such reimbursement. The decision of the board on each question referred to it concerning reimbursement for loss of taxes shall be binding on the commission and on each signatory State, notwithstanding any other provision of this compact.

#### "ARTICLE VI

"Nothing contained in this compact shall be construed as a limitation upon the authority of the United States.

#### "ARTICLE VII

"The signatory States agree to appropriate for compensation of agents and employees of the commission and for office, administration, travel, and other expenses on recommendation of the commission subject to limitations as follows: The Commonwealth of Massachusetts obligates itself to not more than \$7,000 in any 1 year and the State of Connecticut obligates itself to not more than \$5,000 in any 1 year.

#### "ARTICLE VIII

"Should any part of this compact be held to the contrary to the constitution of any signatory State or of the United States, all other parts thereof shall continue to be in full force and effect.

#### "ARTICLE IX

"This compact shall become operative and effective when ratified by the Commonwealth of Massachusetts and the State of Connecticut and approved by the Congress of the United States. Notice of ratification shall be given by the governor of each State to the governor of the other State and to the President of the United States, and the President of the United States is requested to give notice to the governors of each of the signatory States of approval by the Congress of the United States."

SEC. 2. The right to alter, amend, or repeal this act is expressly reserved.



The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 9924) were laid on the table.

#### EXTENDING AUTHORITY OF SECRETARY OF TREASURY TO TRANSFER CERTAIN DISTILLED SPIRITS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 13130) to extend for 2 years the existing authority of the Secretary of the Treasury in respect of transfers of distilled spirits for purposes deemed necessary to meet the requirements of the national defense.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc., That section 5217 (c) of the Internal Revenue Code of 1954 is amended by striking out "July 11, 1958" and inserting in lieu thereof "July 11, 1960".*

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, section 5217 of the Internal Revenue Code of 1954 now authorizes the transfer of distilled spirits between various types of producing plants and warehousing facilities when the Secretary of the Treasury deems it necessary in the interest of national defense. The section also permits the Secretary to temporarily waive the application of any of the internal revenue laws relating to distilled spirits, except those imposing the tax, in order to meet the requirements of national defense. However, the authority contained in section 5217 expires on July 11, 1958.

H. R. 13130 would extend the authority to make emergency transfers and to waive application of the internal revenue laws relating to distilled spirits until July 11, 1960.

While the authority to waive application of the internal revenue laws relating to distilled spirits is not now being used, the need for it might arise on short notice. The authority to make transfers between producing plants and warehousing facilities is being used to great advantage at the present time. Therefore, it is desirable to extend the application of section 5217 for 2 years.

The bill was reported unanimously by the Committee on Ways and Means and I urge its approval by the House.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, I have joined in urging the favorable consideration of

this legislation that would provide for the extension for a period of 2 years of the existing authority vested in the Secretary of the Treasury to authorize the transfer of distilled spirits between certain types of installations where such transfer is desirable for national defense reasons. The existing authority is scheduled to expire as of July 11, 1958. The bill would extend the period to July 11, 1960. Legislation similar to this was first enacted in 1942.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

#### SPECIAL DESIGNATION OF JULY 4TH

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. DEROUNIAN].

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (S. J. Res. 159) to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship.

The Clerk read the resolution, as follows:

Whereas, in the international crisis confronting the Nation, it is important that the American people, in a spirit of gratitude and rededication, review the foundations of human freedom, renew their faith in freedom and respond to the challenge of freedom: Therefore, be it

*Resolved, etc., That the President of the United States be and hereby is authorized and requested to issue a proclamation, calling upon the people of the United States to make the observance of Independence Day, July 4, 1958, a day of rededication to the responsibilities of free citizenship, with appropriate nationwide ceremonies.*

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### SUPERVISION OF WELFARE AND PENSION PLANS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, there are pending before the House Committee on Education and Labor several bills—including one passed by the Senate—which would require registration and reporting on welfare and pension plans. Rumors are rife as to which groups are or are not in favor of such legislation.

It is interesting, therefore, to read the results of a survey conducted by the members of the Industrial Relations Research Association by Dr. Julius Rezler

and Mr. Gerald J. Caraher. The results of this survey were recently published as a research publication by the Institute of Social and Industrial Relations of Loyola University.

In studying the results of this survey, it is well to bear in mind that the membership of the institute, based on its October 1954 membership directory, is composed as follows:

Occupational group	Number	Percent
University.....	614	37.3
Management.....	489	29.7
Government.....	196	11.9
Union.....	109	6.6
Miscellaneous.....	237	14.5
Total.....	1,645	100.0

Almost 90 percent of those queried were in favor of a bill along the lines of the one passed by the other body; 75.8 percent of persons with management affiliations were in favor of such legislation while only 13.7 were opposed. This is in sharp contrast to the wide division on other labor-management questions among those questioned having labor or management affiliations.

I include the report of this survey with respect to the regulation of welfare and pension plans at this point in the CONGRESSIONAL RECORD:

#### SUPERVISION OF WELFARE AND PENSION PLANS

The returns to the seventh question of the survey are analyzed in this chapter. It was asked: "Should the law require the full disclosure of welfare-fund finances whether these funds are administered by unions alone, by unions and employers together, or by employers alone (Douglas bill, S. 2888)?" This question was the only question of the survey which identified a specific bill.

Reference is made to Senate bill 2888 introduced by Senator PAUL H. DOUGLAS of Illinois on August 30, 1957, during the 1st session of the 85th Congress. The bill provides for the registration, the reporting, and the disclosure of all employee welfare and pension benefit plans if—

1. the plan provides benefits for employees employed in two or more States;
2. at least part of the benefits of the plan are provided by an organization whose principal office is outside of the State in which the principal office of the plan is located;
3. the plan is established or maintained by an employer engaged in commerce or by an employee organization whose members are engaged in commerce; or

4. the income from the plan is claimed to be exempt from taxation or the costs of such plans are claimed as allowable deduction in computing taxable income.

The bill is intended to cover all plans, regardless of their administration.

It should also be noted that of all the labor bills pending in the 85th Congress, only the Douglas bill has been endorsed by organized labor. On the other hand, some segments of management opposed the bill because it covered management controlled plans, too. They felt since the Senate investigations into these types of plans had indicated little or no wrongdoing, they should be exempt from the bill.

#### ANALYSIS OF ANSWERS

According to the tabulation in table 8, almost 90 percent of the sample members responding favored the Douglas bill described above. Six percent of the respondents were opposed to it, and the remainder, 4 percent, gave no definite answer.

TABLE 8.—A summary of the answers to question 7

Answer	University, number	Management, number	Union, number	Government, number	Miscellaneous, number	Total, number
Yes.....	142	94	29	39	48	352
No.....	4	17	1	1	1	24
No definite answer.....	2	13	1			16
Total.....	148	128	31	40	49	392
	Percent	Percent	Percent	Percent	Percent	Percent
Yes.....	95.9	75.8	93.5	97.5	98.0	89.8
No.....	2.7	13.7	3.2	2.5	2.0	6.1
No definite answer.....	1.4	10.5	3.2	2.2	2.2	4.1
Total.....	100.0	100.0	100.0	100.0	100.0	100.0

Considering some management groups' opposition to the bill, one would not expect the majority, 75 percent, of the survey's management group to answer "yes" to this question. Over 90 percent of the respondents in each of the other four groups, were in favor of this bill with 98 percent in miscellaneous, 97.5 percent in government, 94 percent in union and 96 percent in university so answering.

There were more in the management group, 10.5 percent, giving "no definite answer" to this question than in the other four groups. This is explained in part by their reluctance in having plans established and directed solely by management included in the coverage of the bill.

#### SUMMARY OF COMMENTS

Those respondents who answered "yes" to the seventh question most frequently stress the point that all 3 types of plans, regardless of who administers them—management, union, or both—should be included in the coverage of the law. A government respondent wrote:

"All welfare funds, whatever the source of administration, should be required by law to be fully disclosed per the Douglas bill. If they are not disclosed, then I favor regulation of all welfare funds much in the same manner as credit unions are regulated in States."

A management respondent gave this comment, "While this poses some problems to those in management who operate funds unilaterally, I believe our labor laws should apply with equal force to both parties."

Others of the respondents felt that this type of law would protect the beneficiaries of the fund. A university respondent pointed out, "This would protect the workers and all, the other parties concerned. It would encourage virtue." A management respondent stated, "As a matter within the area of collective bargaining, employees are entitled to know how their funds are applied."

It was pointed out by another group of respondents that these plans, with the tremendous amount of money involved, were a fertile field for abuse. Because of this, the maximum amount of protection is needed to safeguard the funds from misuse. A Government respondent hoped that, "Publicity of welfare fund finances would discourage racketeering in this area." In the opinion of a university respondent, it's "A good protection against corruption and graft which is so easily a fait accompli with welfare funds." And a management respondent felt, "There is plenty of opportunity for abuse if the funds go unregulated."

Others of the respondents mentioned the Douglas bill, S. 2888, and Senator PAUL DOUGLAS specifically in their comments. Some typical comments were:

"The Douglas bill represents a valid and useful exercise of public authority.

"The Douglas bill is an excellent means of preventing abuses of both unions and employers in this area.

"If such a bill is proposed by PAUL DOUGLAS, that's good enough for me."

It was pointed out by another group of respondents that pension and welfare funds are in a sense a public trust. As a university participant put it, "These funds are in effect, a public trust, and should be protected in the public interest."

It was felt by some of the respondents that secrecy wasn't necessary. The only ones who had anything to fear from disclosure were the racketeers and crooks. The truth wouldn't hurt those who operated their plans with a true sense of fiduciary responsibility.

In the comments of those respondents who answered "No" to this question, it was most frequently mentioned that plans operated solely by management should be exempted from the coverage of any pension and welfare disclosure laws. A union respondent wrote, "Unilaterally administered plans by the employer should be exempted in general. But the employer should not be allowed to divert welfare funds." A management respondent commented, "The law should not be made all-encompassing to make it more politically acceptable, where primary abuses are in 1 or 2 areas."

#### GERALD W. JOHNSON

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a speech.

THE SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, certainly one of the great journalists of our time is Gerald W. Johnson. His illustrious career includes 11 years with the Greensboro Daily News, 2 years as professor of journalism at the University of North Carolina, and 17 years as editorial writer for the Baltimore (Md.) Sun newspapers.

The first of his 20 or more books, entitled "What Is News?" was published 31 years ago. His latest book is entitled "Peril and Promise: An Inquiry Into the Freedom of the Press." Mr. Johnson is a prolific writer and a frequent contributor to such outstanding periodicals as Harper's magazine, the Atlantic, the New Republic, Saturday Review, and the American Scholar.

Mr. Johnson is a fellow alumnus of mine, both of us having studied at Wake Forest College, Winston-Salem, N. C.,

though he preceded me by a number of years.

He is one of the few remaining giants of the great era of journalism created by such men as Bernard De Voto, H. L. Mencken, Thomas L. Stokes, Elmer Davis, and himself. We need their kind even more now in this time of peril, and the tradition they created will inspire young men and women to similar high endeavor now and in the decades to come. All of these great men of letters are proof that we need scholars as much as we need scientists. We must keep this basic truth in mind as the Congress considers the science-oriented scholarship legislation sponsored by this administration, legislation which, unfortunately, is proving so attractive to some of our colleagues that the humanities are forgotten.

I am pleased to include here the text of a highly significant speech delivered by Gerald W. Johnson at Wake Forest College recently:

#### THE SCHOLAR HERE AND NOW

(Phi Beta Kappa address by Gerald W. Johnson)

On an occasion similar to this, but at another place, I declared by belief that although colleges all over the land have held such celebrations for many years, and have listened to thousands of speakers, there has been only one original Phi Beta Kappa address. All the others have been glosses upon, or developments of the oration delivered by Ralph Waldo Emerson at Harvard in 1837, known to us as the great essay entitled "The American Scholar," and less formally as the American Declaration of Intellectual Independence.

Yet the subsequent addresses have not been vain repetition, or not necessarily so. Emerson himself assumed their utility in the first page of his speech. Describing the American Scholar as a living entity, he said, "year by year we come up hither to read one more chapter of his biography. Let us inquire what light new days and events have thrown on his character and his hopes." He expected that inquiry to be a continuing process, and so it has been for 121 years.

Thus to inquire what light new days and events have thrown on the character and hopes of the American Scholar is my warrant for appearing before you. As Jefferson's Declaration of Independence needs no rewriting, but does need, constantly, application to some new situation, so Emerson's theme needs no restatement, but does need, constantly, interpretation for each successive generation.

#### THE SCHOLAR—"MAN THINKING"

His famous definition of the scholar is Man Thinking, with the stress upon the first word, not upon the second. Indeed, said Emerson, when he becomes a mere thinker "man is metamorphosed into a thing \* \* \* the priest becomes a form; the attorney, a statute-book; the mechanic, a machine; the sailor, a rope of a ship." It is only to the extent that he balances his mentality with his humanity that the thinker becomes a scholar. One is tempted to believe that the speaker of 1837 foresaw the coming of the electronic computer, a mechanism that performs operations hard to distinguish from thinking. One knows that he foresaw, for it was already beginning in his day, the development of a hard materialism that reduces men more and more to the level of mechanical contrivances.



In the light of new days and events it is evident that the machine becomes more human and the man more mechanized. Pessimists are inclined to stop with that and to lament that our so-called progress is actually retrogression, a drift backward toward the doomed land "where wealth accumulates and men decay." But the coalescence of thinker and machine does not affect the heart of Emerson's definition of the scholar—neither man nor thinker, but a tertium quid, a third party distinct from both, neither strictly man nor strictly thinker, but man thinking. The debate, therefore, is not closed until we have examined this third party, the scholar, in the light that new days and events have thrown on him, as well as on the thinker and the machine.

Following the old recipe for rabbit stew that began, "First catch your rabbit," let us first attempt to catch a scholar, not in a material trap, but in a net of definitions that will hold him long enough to be examined. Emerson extended the word as a generic term far beyond the limits usually assigned it. To him the scholar was not Doctor X, nor Professor Y, not a Ph. D., not necessarily a college man, but anyone who thinks beyond the immediate necessities of his job—the farmer who considers how his tillage will affect the land when it is owned by his grandson, the mechanic who thinks of the theories of distribution as well as production, the builder who sees his wall, not as so many thousand bricks, but as shielding and fostering life in generations to come—each of these is a man thinking, each in his own way shares in scholarship.

But for tonight let us be modest enough to disavow the comprehensive view of an Emerson, and narrow our fields to more manageable proportions; let us for the moment abandon the species and consider the specimen; not "the" scholar, but "a" scholar, here and now; and to eliminate the confusions of personality I propose as the type no individual, but Wake Forest College in its role as a scholar—a composite, certainly, but nevertheless a type.

For every rational man will agree that a college is not buildings and grounds, nor books and equipment. A college is a group of individuals differing in function, but bound together by a common purpose—man as students, man as teacher, man as administrator, but in every case man thinking, not so much about how to sustain life as how to live it.

What light have new days and events thrown on the character and hopes of this composite scholar who lives not in Massachusetts but in North Carolina, not in 1837 but in 1958? To essay a tentative answer to this question is not foolishly repeating the one great Phi Beta Kappa address, but making a legitimate and perhaps useful commentary on it. For that, Emerson would not expect or desire an apology.

#### MODERN WORLD CASTS LURID LIGHT ON THE SCHOLAR

To begin with, all concerned agree that the light itself is pretty lurid. There is said to be an old-fashioned Chinese curse, one that you laid only on a bitter enemy. It was, "May you live in interesting times." The events of the 20th century thus far have made interesting times. In its first 58 years more blood has been spilled, more cities destroyed, more empires overthrown, and ghastlier crimes committed than in any similar period in recorded history, not forgetting the Thirty Years' War in which Germany was reduced to cannibalism.

And that was not all of it or the worst of it. Robbery and murder, after all, are old, familiar evils. If, in our time, robbery has been raised from the pillage of a house to the pillage of continents, and if murder has been raised from homicide to genocide, from the killing of a man to the killing of a race,

still these are simply vast exaggerations of horrors we have always known. The toad is bloated to the size of an ox, but he is still the same old toad. If that were all that the 20th century has brought upon us, we might blame the trouble upon our sloth and carelessness in not checking the evils before they had attained such monstrous size, but we could hardly blame it on our basic concepts. We could say that we need to reform our habits, but not our basic modes of thought.

But even that cold comfort is denied us, for the 20th century has brought upon us far more than merely a cancerous growth of ancient villainies. It has also shaken our fundamental concepts of the universe around us, and in so doing has led us to suspect the usefulness of our intellectual tools. I do not refer to such spectacular phenomena as atomic fission and fusion and the invasion of outer space from the earth. They are byproducts, entirely neutral, equally capable of construction or destruction, according to the purpose of those who use them.

What I have in mind is something far more basic. The hydrogen bomb is, after all, simply another explosive, new in its composition, but in its effects just gunpowder raised to the nth power. It is what produced the bomb that is new and that has shaken not merely the physical earth under our feet, but the intellectual ground under philosophy itself.

We have witnessed a dissolution of categories that is by far much more frightening than the dissolution of the city of Hiroshima, or the Bikini atoll. We have learned that what we had regarded as the four pillars of the physical universe, mass, energy, space, and time, are not in fact monoliths, but are essentially fluid, merging into one another in such fashion that it is no longer possible to draw a sharp line of demarcation among them. If there are physical universals, we are not acquainted with them; to the utmost boundary of our knowledge, all things are relative.

This forces the modern scholar to reconsider his modes of thought. An analogy between the physical universe and the moral universe certainly exists, but at precisely what point does it break down—or does it ever break down? If such concepts as mass, energy, space, and time are valid only relatively, what about such concepts as justice, honor, courage, and truth? Do not dismiss the question as idle and flippant. We have always known that our view of any of these concepts, say justice, is mutable, changing from century to century, from place to place, even from man to man. We have, however, ascribed this mutability to the lack of precision of our own minds, which we know to be defective instruments. The philosophers who have challenged the concepts themselves we have dismissed as eccentrics.

But the Hegellans, and the Nietzscheans, and the new-fangled Existentialists have come back strong, reinforced by this reasoning from analogy. Traditional scholarship is hard put to it to maintain its position. Many of us still have faith to believe that the dissolution of the physical universals has no relation whatever to the moral universals; but that belief is an act of faith which we should like to have supported by reason. The first duty of the scholar as man thinking is to furnish this support if he can. Such work was presumably not necessary in 1837, but it is of prime importance in 1958. It is imposed upon every American scholar, including the scholar who resides in the South.

To be specific, it is the first duty of Wake Forest, along with other colleges of liberal arts. This is not clear to all southerners; there are some who quite honestly believe that the first duty of the college is not to answer the questions propounded by the

second half of the 20th century, but to insist upon the adequacy of the answers that were found in the 19th century and earlier. Unfortunately, those answers are not specific enough. Thomas Aquinas, John Calvin, R. W. Emerson were great men, possibly greater than any man living today; but they never heard of the problem of relativity, therefore they presented no solution of that problem. They did not, they could not, do our work for us. We must do it ourselves, and if we lack the genius of those men, that is our misfortune, but it does not release us from the obligation to do the best we can with such talents as God has given us.

We hear constantly repeated a formula that sounds impressive but that is actually as hollow as a bass drum. It is the assertion that Wake Forest should do nothing to shake the faith of Baptist youth. Granted; but that is equivalent to saying that Wake Forest should under no circumstances shave the heads of youth and paint them sea green. Certainly it should not; but when did the college ever try to do such an insane thing? No more has it ever made an effort to turn any student away from the faith of his fathers.

But neither has this college any right to rivet chains of error on the mind of a student merely because his father may have worn such chains contentedly, never suspecting that he was fettered. To this Baptist audience I commend strongly a recent statement of a Catholic priest, the Rev. Gustave Weigel, speaking to the Catholic University of Windsor and reported in a Catholic magazine, the *Commonweal*, on January 31 of this year. "A college," said Dr. Weigel, "does not exist only to prevent a young person from being infected by error; it exists positively to show him truth. Nor is truth something once and for all done in the past. It must be achieved anew in every generation."

It is unlikely that Father Weigel and I would ever agree on what is truth; but with the principle he proclaims I do most heartily agree. In fact, I consider it a fine statement of sound Baptist doctrine.

I count it my great good fortune that as a young man, like Saul of Tarsus I sat at the feet of Gamaliel. I was instructed by one of the greatest and best of all the great and good men who have served this college. Before I ever reached Wake Forest I had heard the chatter of foolish and shallow minds asserting that William Louis Poteat was certainly a Doubting Thomas, if not an out-and-out heretic. Great, then was my surprise to find that this was the man of all the faculty who did most to explode the half-baked skepticism I had developed as a high school boy, and to establish in my mind an intellectual respect for religion that has not been shaken by the experience of 50 years.

Why, then, was the man constantly under attack by persons who fancied themselves leaders of the denomination? I had no answer then, but I have one now. Those men lacked the cardinal virtue of humility. They had fallen into the error of Job's comforters, who assumed that they were the people, and that wisdom should die with them. They could not master the great truth that we who are of mature years and dominant in our generation, although we may do passably well for the present, are never good enough for the future. They could not realize that the business of Wake Forest was not to supply the denomination with men as good as they were, but with better men, wiser men, abler men, more competent men.

That is the business of Wake Forest today as it is of every liberal arts college. If it can do no more than supply leaders as good as those we have now, it is a failure, and fit for nothing except to be hauled off by the junk dealer. I will admit that it is

a severe test to call upon men of my generation to admit that we are not good enough for leadership of the denomination, the State, the Nation, 20 years hence. Yet if we are really scholars, that is, men thinking, we know that it is so.

Curiously enough, this kind of scholarship is often found among men who never think of themselves as scholars at all. Conscientious that they know little of the lore of books, they are unaware that they are deeply versed in the lore of life, and preserve the humility that accompanies true learning. For when a man has gained some conception of the vast amount he does not know, he has taken the first long stride toward scholarship, since realization of his ignorance starts him thinking.

Among such men you seldom find much inclination to interfere with the efforts of the college to come to grips with the problems of modern life. They have grasped the significance of the promise that when he, the Spirit of truth, is come, he will guide you into all truth. They realize that it is a promise, stated in the future tense; they do not delude themselves that they are already in possession of all truth, and they are confident that the Spirit of truth will guide them aright.

#### WAKE FOREST AND CONTROVERSY

It is the arrogant of soul who are so certain of their own wisdom that they brand as heresy any contradiction of their dogma. Such men we have always with us, and against them a college that is true to its mission must always contend. Friends of mine, and friends of this college have said to me recently, "Wake Forest is engaged in controversy," shaking their heads. The news is interesting, but why should they shake their heads? So Wake Forest is in controversy—but where else, pray, should Wake Forest be? If it is a college, it should be an intellectual leader. If it leads, it must be in advance of the main body. If it is in advance of the main body some, especially those who do not know which way is forward, will denounce it.

The fact that the college is in controversy means nothing; the crux of the matter is what the controversy is about. If it is a quarrel over where a new building shall be placed, or how much shall be spent on it, there may be reason to be disturbed. But if it is a battle of ideas, then in the midst of the fight is right where the college ought to be. "Woe unto you when all men shall speak well of you! for so did their fathers to the false prophets."

The liberal arts college that is located in the South is doubly exposed because it faces not only the problems posed by modern science and technology, but also those inherited from an old catastrophe, one older than the Civil War. That war destroyed the economic and social systems of the South, but the war itself was the result of an earlier destruction of the political philosophy of the South. We cannot undo the effects of the war, but we can restore the philosophy if our intellectual leaders are minded to do so.

Under the Virginia dynasty—which really includes John Marshall, as well as Jefferson, Madison, and Monroe—southern political thinking was nothing if not realistic and, solidly based on reality, it was brilliant beyond all precedent. But later, under such leaders as Calhoun, Hayne, Toombs, and Davis, it was anything but realistic, and this divorce from reality precipitated the disastrous war. The issue on which romanticism won its victory over realism happened to be that of Negro slavery, but if it had been won on any other issue the result would have been the same.

The art of government cannot be practiced indefinitely on the basis of wishful thinking. It may work for a time, but unless government conforms to the facts as they

are, not as we wish they were and perhaps ought to be, it will end in a crash. The moral judgment of mankind had condemned slavery before the date of the Missouri Compromise, but the slaveholding interest of the South proceeded on the romantic theory that it had not been condemned and made that theory national policy from 1820 to 1861; but then came the crash.

Mussolini made the romantic lie of the Roman Empire good for 20 years, but then he ended hung up by his heels on a meat-rack. Hitler held to the romantic lie of the master race for 12 years, but then he ended as a suicide under the ruins of flaming Berlin. The most successful romancers of modern times are the Russians, who have upheld the delusion of dialectical materialism for forty-odd years, exceeding the record of the slave-holding interest. But if the thing is, as I believe, essentially a lie it will end in a crash and it is greatly to be feared that the crash by its very magnitude may involve the rest of us.

Every political leader worth his salt knows that the successful conduct of public affairs depends upon maintaining contact with reality, but the determination of what is real is often beyond him. Absorbed all day long in the management of details, he usually lacks the time, even when he has the intellectual endowment, to go behind appearances and find reality. He should be relieved of the necessity. Scholars who are not involved personally in politics should do it for him. Wake Forest, for instance, has no legitimate place in North Carolina politics; but it should be an arsenal of ideas open to governors, Senators, Representatives, judges, and all other public servants. Wake Forest has the time and the facilities to undertake the labor of distinguishing fact from wishful thinking, and when it fails to do so it is not serving the State.

But bear in mind that the fraudulent policy that leads to disaster is based on wishful thinking, and pay particular attention to the word "wishful." Calhoun insisted on seeing the world, not as it was, but as he and his followers wished it to be. When we ardently wish one thing, we dislike the man who tells us that it is not so, and the more often he proves to be right, the more we dislike him. If the chief aim of Wake Forest is to gain the admiration and applause of the State of North Carolina, then it should instantly renounce its allegiance to truth and go in for romanticism, for that way popularity lies. But that is not the way to greatness, that is not the way to usefulness, that is not the way to freedom, for "ye shall know the truth, and the truth shall make you free."

So much for the special problems that confront the scholar because he lives in North Carolina; what, then, of the special problems that confront him because he lives in 1958? That is to say, what of the temporal, rather than the geographical situation of our generation?

There, indeed, we enter an area where angels fear to tread, and to rush in with blind arrogance is assuredly the part of none but fools. Nevertheless venture we must, for it is all a part of our time, and to attempt to live outside of our own time would be to repeat the blunder that destroyed us in 1861. But in this case destruction would fall not merely on the southeastern quarter of the United States, but on all western civilization.

I referred earlier to the dissolution of categories, the crumbling of the very foundations of thought about the physical universe. On that topic I have nothing more to say, for I am not a scientist, and only a man deeply versed in the new learning has any right to an opinion on what the recent advances of mathematical physics signify. But I am a man and—at long intervals, perhaps, but occasionally—a man thinking; as

such, I have plenty to say, not as a scientist, but as a scholar in the Emersonian rather than the academic sense.

I have described as lurid the light in which new days and events have bathed us, but that is true only in part. The light is compound, derived from many sources—the red glow of hell-fire over Hiroshima and Hungary; the reflected light of the sun, that cold and neutral moon-glow from those small objects that we have lifted beyond the atmosphere and set to circling around the earth; and from the harnessing of the atomic power, a rosy gleam, a hint of the dawn of Aristotle's day when the shuttle shall move itself and earth's last slave shall be free.

Terror and wonder and awe, said the Greeks, are the components of high tragedy. They are all here, but with an addition that the definition of tragedy does not include, that last spirit to escape from Pandora's box, Hope with the iridescent wings. With this addition, we cannot assert without reservation that the drama we are witnessing is the tragedy of mankind, for we do not know that it is. We must find another word for it, and finding that word is the great task of scholarship.

The man who could tell us plainly how to approach this task would be the greatest sage of our time. But while I have no idea how to reach it, I do think I know in which direction the goal lies. I think the avenue of approach is through study of a question that the psalmist asked: "What is man, that thou art mindful of him?"

Not Christianity alone, but every great spiritual religion is based on faith that the Creator is mindful of his creature, man. The Christian explanation is that in man alone among the animals God implanted a spark of divine fire that under proper conditions can be fanned into flame; and the man flaming with the fire of God, like the burning bush that was not consumed, makes the place whereon he standeth holy ground. This is the tradition of the saints.

To search out and identify this spark of divinity is the first step toward learning how it may be nursed into flame, which is the goal of education. Something may be accomplished, no doubt, by homiletics based on dogma, but no much; far more effective is study of the attribute that we call greatness, wherever and whenever it has appeared among men. For I do not understand how a Christian can deny that any true greatness is a flash of the divine fire, whether it makes its appearance in a Father of the Church, or in a pagan, or even in a recusant who has formally denied the faith, not knowing what the true faith is.

To accomplish this, scientific education alone is not enough. To know the way of an electron in infinitesimal space is all very well, and so it is to know the way of the galaxies in infinite space, and to determine the relation between them, as Einstein tried to do. But none of that is as profound or as important as to know the way of a man in the realm of the spirit.

Proof of it is the triumph of this very physical science that has astounded and appalled us. The hydrogen bomb is the most tremendous expression of physical power that man has attained since recorded history began. Recently our engineers exploded underground a hydrogen bomb which they described as a rather small one; but it is said that 400,000 cubic yards of rock were reduced to amorphous powder, and at the detonation in New Mexico the earth quaked in Alaska. Yet, more powerful than the bomb is the mind that created it.

We have hurried into outer space artificial moons carrying instruments so cunningly devised that they are even now reporting to us things that "eye hath not seen, nor ear heard, neither have entered into the heart of man." Yet these wanderers through the



abyss between the planets are not as far-reaching as the mind that created them.

"We are equal," said Bertrand Russell, "to all that we can understand." Our understanding has been extended, in these portentous years, immeasurably upward beyond the stars, and immeasurably downward into the depths of the atom. But how far has it been extended on our own level? The answer to that question is much less glorious. Our penetration into the mysteries of the human heart has been so slight that it is doubtful that we know any more than Homer knew about what it is that makes God mindful of man. The old, blind poet realized that the spark of greatness is the answer, and so do we; but to define greatness we are as impotent as he was.

Homer did not know, however, that with the touch of a finger we can release the earthquake, and the hurricane of fire, and the mushroom cloud that casts the shadow of slow and dreadful death. It is the triumph of science that has revealed to us such majesty and might in the divine spark of reason as reduce Achilles to a children's toy, and make the Thunderer of Olympus himself no more than a shadow of real power.

It is the task of science to determine and explain the results that may follow the use of the mind, and science has worked at its task with a success that staggers and somewhat appalls us; but the brilliance of science has only revealed the dimensions of the task that still lies before philosophy—the task of tracing and understanding the source of this puissance that science has revealed. For it is as true today as it was when Elijah covered his face and trembled that the Lord is not in the hurricane, nor in the earthquake, nor in the fire. Now, as in the days of the prophet, they are no more than evidence that the Lord passed by. Direful as they are, they are less important than the still, small voice that persists when the terrors have passed away.

We must admit, then, that the light that new days and events have thrown on the character of the scholar reveals him as somewhat out of balance, amazing as a thinker, but as a man advancing with dragging feet; and he will not restore the balance until he bestirs himself to bring his philosophy abreast of his science. But the light thrown on his hopes is altogether different; for if the task before him is immeasurably great, so is the promised reward. That spark of divinity in man that makes God mindful of him is immensely more potent, immensely vaster, immensely more wide-ranging than the saints and sages of the past could ever guess.

We are equal to all that we can understand; and to the extent that we can begin to understand true greatness as it appears in men, and how and why it appears, we have the radiant hope of employing that force to carry us forward, not into a new world, but a new universe of power, and beauty, and truth.

#### ANNOUNCEMENT

Mr. ZABLOCKI. Mr. Speaker, on rollcall No. 118, on the bill H. R. 11477, I was paired. I was unavoidably absent from the House on official business. Had I been present I would have voted "yea."

#### THE HONORABLE GEORGE MCGOVERN

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, 2 years ago, during the 1956 campaign, our colleague, GEORGE MCGOVERN, was the object of a smear campaign which was resented by the people of the First Congressional District of South Dakota, as demonstrated by the overwhelming majority received by GEORGE MCGOVERN in the 1956 election.

It has come to my attention that there are indications that the same sort of tactics may be used against him in the campaign of this year. This threatened smear or unjust attack is based upon a report by the Committee on Un-American Activities, entitled "The Communist Peace Offensive." The report quotes the Daily Worker of March 15, 1951, wherein 166 names are published as sponsors of the American Peace Crusade.

It is well known and an established fact that this Communist-front organization forged and falsely published the names of many prominent Americans on the petitions as sponsors. As a member of the Committee on Un-American Activities, I know this to be true, and it is typical Communist trickery. Thus the name of a Dr. George McGovern appeared in the Daily Worker as one of the sponsors.

Congressman GEORGE S. MCGOVERN, of South Dakota, never signed the petition referred to in the Daily Worker or in the committee report, and he never directly or indirectly authorized his name to be used in any way in this connection. We, the members of the Committee on Un-American Activities, know this to be true and we deeply regret that the committee report has served as an excuse or basis for the unfair attack upon the gentleman from South Dakota. The chairman of our committee, Mr. WALTER, of Pennsylvania, joins with me in this statement. We have the highest respect and admiration for GEORGE MCGOVERN as one of the most loyal and patriotic Americans and as an able and outstanding Member of Congress. I sincerely hope his great service in Congress is known and recognized by his constituents, and most certainly they should resent such unfair smear attacks made upon him by his political opponents.

#### THE BOSTON-PORTSMOUTH NAVAL SHIPYARDS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the Boston, Mass., and the Portsmouth, N. H., naval shipyards are less than 60 miles apart.

Machinists at Boston currently receive \$2.50 per hour, while their counterparts at Portsmouth receive \$2.19 for the same type of work. This is a manifest injustice which is injurious to the morale

of the unclassified employees at Portsmouth.

Under the present law:

The Secretary of the Navy shall establish rates of wages for employees of each naval activity where the rates are not established by other provisions of law to conform, as nearly as is consistent with the public interest, with those of private establishments in the immediate vicinity.

This method of establishing separate labor market areas for Boston, and Portsmouth, by which wages are determined on the basis of surveys of wages paid by private industry in those areas, is fair as long as there are sufficient job samples from private industry covering the same skills. In the absence of such valid comparisons, or enough of them, the average is bound to suffer from a downgrading.

For instance, in the Portsmouth survey for 1957, a total of 316 job samples from private industry determined the wage rates for 5,351 employees in the shipyard. Of these 316 samples, only 179 represented skilled craft jobs. In contrast from the Boston wage survey for 1956, 5,955 samples from private industry determined the rates for 9,325 wage board employees. Of these 5,955 samples, 3,253 represented skilled craft jobs.

Furthermore, there is no other shipbuilding activity in the Portsmouth area, as there is in Boston, upon which to base a fair standard for the wages paid to the workers at the Portsmouth, N. H., naval shipyard.

Up until 1947, the 2 areas were considered as 1 for the purpose of wage determination.

Workers from greater Lawrence, Mass., and Essex County, for example, as well as from other communities in between, are employed at both yards. Even though they may do exactly the same type of work, some get higher pay than the others.

From time to time, workers are exchanged or transferred from one yard to the other, as work slacks off in one, and picks up at the other.

As the yards are relatively close together, and as many of the workers live outside the immediate communities in which the yards are located, this policy on the part of the Navy in treating them as separate labor-market areas is unrealistic.

Appeals for administrative adjustments of the rates under the flexibility provided in existing law, have been ignored by the Navy.

Senator MARGARET CHASE SMITH, of Maine, is the author of S. 2266, which would require that the Secretary of the Navy establish the hourly rates of pay for all per diem employees of the Portsmouth, N. H., Naval Shipyard at the same hourly rates paid to employees of similar classification at the Boston, Mass., Naval Shipyard.

This bill has passed the Senate, and the House Committee on Armed Services recommended yesterday passage of this bill.

In view of its constructive nature that will remedy a longstanding inequity, I

believe that the interests of all concerned will benefit from the enactment of S. 2266.

#### AUTOMOBILE ACCIDENTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have introduced a bill which would provide that there shall be a speed limit of 50 miles an hour over the long holidays. It has not passed yet, but I am hoping that people all over the country will observe this limit.

Many lives have been lost through automobile accidents in the first 6 months of this year. I find that most of the causes of the accidents have been laid to speed because people lose control of their automobiles.

I noticed a bill just reported out of the Committee on Interstate and Foreign Commerce, but speed was not mentioned in it. As I read the reports, speed is the chief reason for accidents.

I only pray the people will observe this 50-mile-an-hour speed limit over the holidays.

#### ANNOUNCEMENT

Mr. DOOLEY. Mr. Speaker, on roll-call No. 118 this morning I was unavoidably absent. If present I would have voted "yea."

#### INDEPENDENCE DAY AND A CONCURRENT RESOLUTION ON CAPTIVE NATIONS' DAYS

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. CRETELLA] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CRETELLA. Mr. Speaker, on July 4, Americans throughout the land and abroad will be celebrating the Independence Day of our Nation. To all patriotic citizens this sacred day symbolizes, under God, our national freedom, the untampered will of a sovereign people and our firm determination to meet any enemy who would attempt to destroy our independence. It symbolizes, too, the spiritual and moral power of our great tradition, the liberal institutions of this country and the warm humanism of its laws. In short, our spirit of independence is at once our past, our present, and our future.

In the full perspective of the history of mankind, we as a united and peaceful people, have with all humility every reason to be proud of our unique development and rich tradition. Our society, to be sure, is not perfect. But by all

evidence it is unquestionably one that has given so much in so many ways to so many within a short span in the history of man. It is one which had made this Nation powerful, exemplary and respected everywhere. Contrary to some false notions, we do possess an ideology which abets our continued growth as a sturdy Nation and remarkably equips us for coping with present global unrest. This ideology is plainly and concretely written out in our Declaration of Independence and the Bill of Rights.

For this approaching Independence Day it is utterly important that we reflect upon the moral and political principles embodied in the Declaration of Independence. Even more important is the application of these perennial principles to other nations and peoples. For not only is the living application of these principles crucial to the further growth and development of our Nation, but it is also vital to the existence and survival of newly independent nations in the Free World. Fortunately, it is well recognized that their independent preservation in the face of a menacing Russian Communist imperialism and colonialism is dependent upon our own survival as a thriving independent Nation.

What a moving and powerful force was our Declaration of Independence as an influence on the various nations who were subjugated in the empires of the last 2 centuries. Nations in the Russian, Austro-Hungarian, and Ottoman Empires soon rose to declare their independence with a will to pursue a national existence similar to ours. But this was short-lived as the unchecked surge of Russian Communist imperialism since 1918 has once again reduced the many non-Russian nations of Eastern Europe and Asia to servility.

The murder of Imre Nagy and countless national patriots behind the Iron Curtain is a tragic byproduct of the destruction of a nation's independence. It is clearly just another attempt on the part of imperialist Moscow to break the will of its subjugated nations. Sanctified by the Declaration of Independence, our moral commitment to the captive nations in the Russian Communist Empire plainly impels us to sustain the will of these once free peoples at all costs.

Against this new onslaught by Moscow I strongly believe it is most fitting and proper for us as free men to express this commitment to the captive nations, on the eve of our own Independence Day. I therefore submit a concurrent resolution which calls for a Presidential proclamation observing the prime national days of these captive nations. These days symbolize the spirit of independence for these enslaved peoples as our Independence Day does for us. They are compelled to observe them in forced silence. We, in spiritual union with them, are free to break this silence by observing them here. It is my conviction, that this act would serve as a further tribute to the courage, tenacity, and faith of the national patriots in each of the captive lands of Europe and Asia. At this moment of revived Russian barbarity we could not do less.

The resolution which I submit is as follows:

#### CONCURRENT RESOLUTION ON CAPTIVE NATIONS' DAYS

Whereas the barbaric Russian Communist murder of Imre Nagy and many truly Hungarian patriots has once again aroused the conscience of the American people as to the tragic plight of the captive nations; and

Whereas since 1918 the continuous aggression of Russian Communist imperialism and colonialism has built up an unprecedented empire which, on the basis of the captive resources Moscow wantonly exploits, now mortally threatens the security of the United States and all of the Free World; and

Whereas the many captive nations in this empire look to the United States and the moral forces of its Declaration of Independence and the Bill of Rights for their eventual liberation and independence, and for the full recovery of individual liberties in the Christian, Jewish, Moslem, and other religious traditions of their peoples; and

Whereas the freedom-oriented loyalties and hopes of the captive nations in both eastern Europe and in Asia are fundamentally vital to United States national security, and thus basic to United States foreign policy; and

Whereas in the hopeful hearts and minds of all the captive peoples a silent observance is offered annually toward historic events in their histories which symbolize their present aspirations as well as their once-enjoyed national independence and freedom; and

Whereas it is clearly our moral obligation as free men to give through organized effort powerful voice to these silent but active prayers for national independence and freedom: Now, therefore, be it

Resolved, That it is the sense of the Congress of the United States that the President of the United States proclaim the following historic dates as days of observance by the people of the United States in their spiritual union with the victims of Russian Communist imperialism and colonialism: March 15 as Hungarian Day; May 3 as Polish Day; February 16 as Lithuanian Day; March 14 as Slovakian Day, January 22 as Ukrainian Day, November 18 as Latvian Day, October 10 as Chinese Day, March 25 as White Ruthenian Day, May 10 as Rumanian Day, February 24 as Estonian Day, December 13 as Turkestan Day, May 26 as Georgian Day, March 3 as Bulgarian Day, May 28 as Armenian and Azerbaijan Day, August 15 as Korean Day, October 28 as Czech Day, November 28 as Albanian Day, June 17 as East German Day, and October 26 as Vietnamese Day.

#### AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, 1954

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent that the gentleman from Colorado [Mr. HILL] may extend his remarks at this point in the Record, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HILL. Mr. Speaker, at midnight last Monday one of the most important programs to assist agriculture that Congress has enacted expired. I refer to the Agricultural Trade Development and Assistance Act of 1954, commonly called Public Law 480.

Under the provisions of this act our agriculture export program has been greatly enlarged. It is one of the best



vehicles we have had to put our oversupply of food and fiber in the hands of people who can use them instead of keeping them in storage.

The daily summary issued by the Department of Agriculture on July 1, 1958, lists six different actions under the authority of Public Law 480 which will benefit agriculture by further reducing our surpluses. Without extending or renewing this important program similar shipments will not be continued.

As a part of my remarks I include the six excerpts from the daily summary as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE:  
THE DAILY SUMMARY, JULY 1, 1958

1. USDA announces supplemental Public Law 480 agreement with Ceylon: Supplemental agreement provides for financing of sale of \$2.1 million worth (including certain ocean transportation costs) of wheat flour. Payment for flour will be in rupees (Ceylonese currency). Flour, about 20,000 metric tons, is valued at \$1.7 million. Ocean transportation is estimated at \$400,000. Purchase authorizations will be issued later.

2. USDA announces supplemental Public Law 480 agreement with Israel: Supplemental agreement provides for financing sale of \$6 million worth (including certain ocean transportation costs) of grain. Payment will be in Israeli pounds. Commodity composition is: Wheat (about 30,000 metric tons), \$1.9 million; corn and grain sorghums (about 70,000 metric tons), \$3.2 million; and ocean transportation (estimated), \$0.9 million. Agreement provides that 25 percent of Israeli pounds received as payment will be set aside for loans by Export-Import Bank of Washington to United States and Israeli private business firms.

3. Public Law 480 wheat or flour authorization issued to Peru: Authorization is to finance purchase of \$1,250,000 worth of wheat or wheat flour. USDA also extended terminal contracting date from January 31 to August 30, 1958, in authorization 13-06, which provides for purchase of \$1,520,767 worth, or about 23,500 metric tons, of wheat in bulk, grades U. S. No. 2 or better, or wheat flour. About 2,900 tons remain to be purchased. Authorization 13-11, issued June 30, provides for purchase of about 20,000 metric tons of wheat in bulk, grade U. S. No. 2 or better, or wheat flour. It was issued to reprogram funds obtained from reduction of authorization 13-08, and to provide for reimbursement method of financing purchase. Transactions will be financed through reimbursement directly to Government of Peru by USDA's Commodity Stabilization Service. Reimbursement will be made only for wheat or flour procured between July 7 and August 30, 1958, with shipment between July 7 and September 30, 1958.

4. Public Law 480 amended vegetable oil authorization issued to Spain: Amendment of soybean oil or cottonseed oil authorization 17-50 provides for purchase of an additional \$317,480 worth (about 900 metric tons) of oil from United States suppliers. Increase was obtained from unused funds provided for ocean transportation in purchase authorizations previously issued. Authorization 17-50, as amended, provides for purchase of \$1,025,267 worth, or about 2,900 metric tons, of soybean oil or cottonseed oil in drums or bulk (basis: refined soybean oil in drums). About 1,900 tons remain to be purchased.

5. USDA announces Public Law 480 agreements with Ecuador, France, and Iceland: Ecuador agreement provides for purchase of \$1.84 million worth (including certain ocean transportation costs) of commodities. Agreement composition is: Wheat (about

15,000 metric tons), \$1 million; soybean oil or cottonseed oil (about 1,400 metric tons), \$0.5 million; cotton (about 800 bales), \$0.14 million; and ocean transportation (estimated), \$0.2 million. Agreement with France provides for purchase of \$2,035,000 worth (including certain ocean transportation costs), or about 2,667,000 pounds, of tobacco. Ocean transportation is estimated at \$35,000. Agreement with Iceland supplements agreement of May 5, 1958, and provides for purchase of \$60,000 worth, or about 300 metric tons, of rice. Sales to all three will be paid for with currencies of those countries. In each case 25 percent of local currency will be set aside for loans by Export-Import Bank of Washington to private business firms of those countries and United States.

6. USDA asks offers to process 58.4 million pounds of flour and cornmeal: Offers have been requested to process Commodity Credit Corporation-owned wheat into 48,768,400 pounds of flour and CCC-owned corn into 9,646,600 pounds of cornmeal for USDA foreign donation program and an International Cooperation Administration program in Italy. Of this quantity, 24,517,800 pounds of flour and 9,646,600 of cornmeal will be for USDA donation to United States private welfare organizations for distribution to needy people abroad. Of flour, 3,876,800 pounds will be all-purpose flour, 10,585,400 bread flour, and 10,055,600 whole-wheat flour. Flour will be packed in 10- and 100-pound bags and 100-pound bags with 10 empty 10-pound bags enclosed. Cornmeal will be degermed and will be packed in 5- and 100-pound bags and 100-pound bags with 20 empty 5-pound bags. The 24,520,600 pounds of flour, to be procured under an ICA requisition (Public Law 480, title II) for export to Italy, will be bread flour. Offers are due not later than 4 p. m. (EDT) July 2, for acceptance not later than midnight (EDT) July 8. Flour and cornmeal are to be shipped from mills not later than August 8.

We must extend Public Law 480 without crippling amendments without delay.

#### WHEAT FARMERS OF EASTERN COLORADO

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent that the gentleman from Colorado [Mr. HILL] may extend his remarks at this point in the Record, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HILL. Mr. Speaker, for the first time in 7 years the wheat farmers of eastern Colorado have had sufficient moisture to grow a decent wheat crop—a crop that will in many cases mean the very economic existence of these farmers who have known nothing but drought and dust since 1952. This crop, valued at more than \$100 million has been in serious jeopardy from one of mankind's oldest enemies—the grasshopper.

More than 20 million acres of land have been in danger of ruin by the largest infestation of grasshoppers in the Great Plains area in many years, but I am happy to see that a program of eradication is winning the battle with a minimum of loss to the wheat crop. The area involved covers parts of five States, Colorado, Kansas, New Mexico, Oklahoma, and Texas.

A cooperative program of Federal, State, and local interests is moving ahead with extensive spraying of the areas most heavily infested and it appears to be succeeding.

As part of my remarks I include a news release by the Department of Agriculture on June 28, 1958, dealing with the grasshopper fight in the high plains area, as follows:

#### FEDERAL AID OF \$1 MILLION HELPS WEST FIGHT GRASSHOPPER PLAGUE

About \$1 million in Federal funds has been made available so far to help stop the outbreak of migratory grasshoppers in Colorado, Kansas, Oklahoma, New Mexico, and Texas, the United States Department of Agriculture announced today.

This represents USDA's one-third share of the cost of spraying some 5 million acres of the most heavily infested land in 46 counties in the 5-State outbreak area. Plans are being made now to bring additional counties into the program.

USDA's Agricultural Research Service has also provided 44 high-power ground spray machines for use in the area. These mist-blower machines, mounted on trucks, are doing much of the roadside spraying.

Trained USDA supervisory personnel, assisting State and county grasshopper-control workers in the area, now number 42. Twenty-five of these supervisors were moved in from other areas to help organize and conduct the control program.

About 80 percent of the total acreage now under treatment in this cooperative effort is rangeland. The rangeland work and the treatment of roadsides and idle and wasteland will protect millions of acres of cultivated crops.

A total of 50 specially equipped aircraft, operated by 4 main contractors, are spraying the ranges and some of the roadsides, idle and wasteland. These aircraft include single-, twin-, and four-engine types. They carry 180 to more than 2,000 gallons of insecticide spray mixture per flight. More aircraft are on the way to further step up the rate of spraying.

The spray program has been gaining speed rapidly during the past 10 days. So far, treatment of about 850,000 acres in 32 counties has been completed. This total has increased by nearly a quarter million acres during the past 2 days, the first in which weather conditions permitted a concerted effort by all personnel and aircraft throughout the infested area.

USDA grasshopper-control specialists now believe that extensive damage to crops and ranges from the present outbreak can be avoided. So far crop injury has been minor. Much of the wheat previously threatened in some areas has been harvested.

#### RAISE SOCIAL SECURITY BENEFITS AND LOWER THE AGE TO 60

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, when I first came to Congress in 1953, I introduced bills which would have lowered the eligibility age from 65 to 60 years for recipients of benefits under the old-age and survivors insurance system. I also introduced legislation to provide benefits to individuals who become totally and permanently disabled before reaching the normal retirement age. Action was not taken on these bills by the 83d Congress, and I, therefore, reintroduced the bills in 1955 at the convening of the 84th Con-

gress. During that Congress I supported H. R. 7225, a bill which became law and which provided payment of monthly benefits at or after age 50 to workers who are totally and permanently disabled. The bill also provided payment of monthly benefits at age 62 for women and it provided for a continuation of monthly benefits to children who become totally and permanently disabled before age 18. Moreover, the bill extended coverage to certain self-employed professional groups and farm owners previously excluded. I not only voted for this bill, but I also contacted the Ways and Means Committee members to urge action on such legislation and I spoke for the legislation during general debate on the House floor. While that bill represented some progress in the right direction, it did not go far enough because of opposition from the administration. I maintained at that time, and I am still of the opinion, that the eligibility age should be lowered to 60 years for everybody. I am also in favor of an increase in the amount of benefits. I have talked with thousands of persons in my State and they have been virtually unanimous in their agreement with my position. Many individuals in the employee category have gone so far as to state that they, as employees, would be willing, if necessary, to pay the entire additional withholding tax required to finance higher benefits and a lowering of the age. Such an attitude is indicative of the need for such legislation and indicative of the strong public support for such a program.

At the beginning of the 85th Congress, in January 1957, I again introduced bills to lower the eligibility age to 60 years and I have since discussed the matter upon several occasions with members of the Committee on Ways and Means, the committee which has jurisdiction over this type of legislation. The committee has been holding hearings on suggested amendments to the Social Security Act, and on Monday, June 23, I appeared before the committee to urge that social security benefits be increased and that the age of eligibility be reduced to 60. I hope that the committee will take favorable action upon these proposals and that it will report legislation to the House in time for consideration before adjournment.

Mr. Speaker, I often wonder how our senior citizens are managing to live on the benefits they are receiving at a time when each passing month marks a new record in the growing cost of living. A recent survey shows that 1 in 8 men, 1 in 6 women, and 1 in 4 aged widows had only their social security benefits for money income. Two-thirds of the men, seven-tenths of the women, and eight-tenths of the aged widows were unable to supplement their incomes by odd jobs because they were physically unfit to perform those jobs. Only 17 percent of all beneficiary groups had employer or union pensions in addition to their social security benefits, and of this group only 2 percent of the aged widows had such pensions. No increase has been made in the amount of social security benefits since 1954, but for the past 2 years the monthly headlines have

been reading, "Living Costs Reach New Peak." Sometimes we forget, I think, that the money paid out in social security benefits is not only a means of providing an assured income for our older people, but that it is also a very important means of increasing consumer purchasing power. We can be sure that any additional dollars given to our senior citizens in increased benefits will be spent and that an increase in sales and services will inevitably follow. What better way is there to stimulate the economy and attack the recession?

As to my proposal to lower the eligibility age to 60, may I say, Mr. Speaker, that we are coming to realize more and more that the traditional retirement age of 65 is an arbitrary figure which does not truly reflect the economic facts of life. It disregards the human factor that some people are forced to retire before that time for physical reasons. Moreover, job opportunities for older workers in industry are becoming more and more restricted. Recent studies show that employers may retain older workers already on their payrolls, in many instances, but strict age limits are often applied in hiring new workers. Even under the pressure of a wartime labor market, older workers were not hired until supplies of younger men were exhausted. Urban industrialism has shortened the worklife of most Americans, making age 60 a more realistic retirement age than age 65. As workers grow older they find themselves exposed to working conditions of heat, pace, intensity, noise, load, risk, and responsibility which are beyond their physical ability. Many persons who have worked all their lives at hard labor suffer injury and chronic ill health during their later years. They are in a twilight zone—being unable to qualify under the strictly administered definition of permanent and total disability, but so handicapped that they are unable to find a job which provides them with the necessary income with which to pay for everyday bare necessities to say nothing of medical bills which occur with increasing frequency with advancing age. What is the prospect facing these people? More than half of all job openings for salesmen are restricted to men under 35. Scores of companies will not consider a stenographer or filing clerk if she is over 35. What about the machine tool operator who, at age 60, is laid off because his plant has been retooled in this age of automation? What about the faithful bookkeeper who has worked for just one firm all her life and, for the first time in 25 years, finds herself looking for a job? What about the housewife, widowed at age 60 by the untimely death of her husband, a woman who has never had any experience in the job market and who now must seek some means to support herself until she reaches the present retirement age? These people may be too old to learn new skills, they are usually not physically able to work, and almost invariably it is impossible for them to secure new employment. What are they to do, once their unemployment insurance, if they can qualify for such, is exhausted? I am, of course, heartily in favor of efforts

to retrain and reemploy these men and women, because many of them would rather stay on the job than retire. But this is not the whole answer for many of these tragic cases. A more realistic social security retirement age must go hand in hand with efforts at reemployment if a real solution is to be found.

Mr. Speaker, the basic object of reducing the retirement age to 60 is to free the worker at that age so that he may make an independent decision, a decision based on his own situation, as to whether he can, with dignity, continue to work. He will not be forced into retirement, but in the case of many thousands of individuals who will voluntarily retire if given the opportunity, there will be thousands of new jobs available for younger persons who are entering the work force each year. In these times of recession I submit, Mr. Speaker, that a lower retirement age will serve to reduce unemployment in the country. I am convinced that legislation which reduces the retirement age to 60 is consistent with the economic realities of our times.

#### "LET'S GET THE PUBLIC BUILDINGS PROGRAM THROUGHOUT THE COUNTRY OFF THE GROUND"

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CRAMER] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CRAMER. Mr. Speaker, I have introduced today a bill, H. R. 13263 to amend the Public Buildings Act of May 25, 1926, as amended, to set up procedures to facilitate construction of public buildings throughout the United States, its Territories and possessions, that are under the jurisdiction of General Services Administration and the Post Office Department, in order to provide a current and continuing, well planned, long range, nationwide program for such building construction.

The bill provides what I believe to be a workable substitute for the lease-purchase program that was permitted to die this year. It is essential, I believe, that the present helter-skelter program that existed prior to lease-purchase, and which is the only implement available now, will result in no construction at all, as has been the case prior to lease-purchase. Of course I am concerned primarily with the post office and multipurpose Federal building projects which have been at a standstill since World War I, except for the lease-purchase program.

This session of Congress, after killing lease-purchase by permitting it to expire, saw fit to appropriate \$177,255,000 as direct appropriation in place of lease-purchase private financing to construct some 66 post office and Federal building projects that had been authorized by committee action under lease-purchase. There are only some 14 additional buildings that have been authorized available for such appropriation.



The 200 projects that were on the tentative and preliminary approved list of General Services Administration, but which had not been submitted to the Public Works Committee under lease purchase for authorization, together with some 71 additional projects which could be constructed on federally owned properties remain at a standstill, in that the Public Works Committee has no legislative power to authorize these additional projects, together with such other projects as are needed throughout the country. I am including at the conclusion of my remarks a list of those projects for the information of the Members.

My bill is intended to get the Congress and the Public Works Committees of the House and Senate to consider these 271 projects, together with others throughout the country that are needed for authorization by Congress, and also to empower the Public Works Committees of the House and Senate to authorize preliminary surveys for such public buildings, which power the committee does not now have.

In effect, my bill has the object of setting up a public buildings authorization program procedure similar to the procedure used for other public works projects, such as rivers and harbors and flood control. Under my bill the Public Works Committees of the House or the Senate would request a survey as to the need in specific areas "with due regard for the comparative urgency of need" and to "provide for the widest geographical and most equitable distribution" throughout the country of public buildings projects, and would request these surveys of the General Services Administration and the Post Office Department where the latter was involved.

The bill would further provide that said agency would submit a report on these surveys within "a reasonable time," and the bill further sets out what the survey report should include. The information to be included would be similar to that information which was required under the lease-purchase program. After the project or series of projects are approved by the Public Works Committees of the House or Senate, then such action would be reported to the House or Senate in the form of one or a series of public buildings authorization acts. It will be seen that this is the same procedure used in other public works projects today. Such projects would then be available for appropriations. They would also be available for such other program of financing as Congress might later see fit to enact.

I have felt consistently that it is inexcusable that local communities should be denied adequate facilities to house Federal agencies in which the people of this Nation have the closest contact with the Federal Government. I had been most disturbed over the lack of any building program prior to lease purchase and felt Congress made a serious mistake in killing that program, it being the first comprehensive and the most sensible nationwide program yet devised. I still feel that private financing is the most logical answer because it does not require substantial appropriations, but

rather long term amortization to accomplish substantially the needed building program throughout the country, but it is obvious the majority in Congress does not agree, and I am therefore hopeful that this alternative program will be enacted which will have the same objective as lease purchase but will result in different financing methods.

I think it is high time we got this essential building program off the ground and acknowledge local building needs back in the district, placing the program on a nationwide need basis and giving Congress the authority to proceed.

The following is a list taken from the minority report on S. 2261, Report No. 894, of the projects that would immediately be available along with other projects for such survey, which are projects that were being considered under the lease-purchase program but did not reach the stage of authorization. So far as Florida is concerned I call your attention to the following projects: Gainesville, Jacksonville, Tampa, and Monticello.

The following is a list of lease-purchase projects—GSA—which were being considered for submission to committees of Congress for approval if Public Law 519, 83d Congress, had been extended:

Alabama: Birmingham, Montgomery, and Tuscaloosa.

Alaska: Anchorage, Juneau, and Seward.

Arizona: Holbrook.

Arkansas: Camden, Fayetteville, Harrisburg, Jonesboro, and Pine Bluff.

California: Bakersfield; Eureka, Fresno, Los Angeles, FBI; Los Angeles, West; Los Angeles; Menlo Park, Geological Survey; Pomona; San Diego; San Francisco, FSS warehouse; San Francisco; San Luis Obispo; San Mateo; and Santa Rosa.

Connecticut: Greenwich, Meriden, Middletown, New Haven, and Willimantic.

Delaware: Wilmington.

Washington, D. C.: National Metropolitan Center, etc.

Florida: Gainesville, Jacksonville, and Tampa.

Georgia: Athens, Hazlehurst, and Thomasville.

Hawaii: Honolulu.

Idaho: Boise, Pocatello, and Twin Falls.

Illinois: Alton, Aurora, Belleville, Champaign, Chicago, East St. Louis, Mount Vernon, Springfield, and Urbana.

Indiana: Anderson, Indianapolis, and Muncie.

Iowa: Ames, Des Moines, Fort Madison, and Keosauqua.

Kansas: Great Bend and Topeka.

Kentucky: Benton, Frankfort, Henderson, and Lexington.

Louisiana: Baton Rouge, Houma, Natchitoches, and New Iberia.

Maine: Portland and Wiscasset.

Massachusetts: Amesbury, Lawrence, and New Bedford.

Michigan: Detroit, Grand Rapids, Lansing, Owosso, and Saginaw.

Minnesota: Roseau and Virginia.

Mississippi: Jackson, Natchez, Quitman, and Tupelo.

Missouri: Independence.

Montana: Billings, Bozeman, Butte, and Great Falls.

Nebraska: Lincoln, Nebraska City, and North Platte.

Nevada: Reno.

New Hampshire: Concord, Nashua, and Portsmouth.

New Jersey: Camden, Morristown, and Newark.

New Mexico: Carlsbad, Roswell, Santa Fe, and Socorro.

New York: Buffalo, Rochester, and Syracuse.

North Carolina: Bryson City, Fayetteville, Lexington, Raleigh, and Winston-Salem.

North Dakota: Bismarck, Fargo, Mandan, Minot, and Williston.

Ohio: Canton, Cleveland, Columbus, Dayton, McArthur, and Youngstown.

Oklahoma: Altus, Durant, Guthrie, Lawton, Wagoner, and Tulsa.

Oregon: Medford and Portland.

Pennsylvania: Harrisburg and Philadelphia.

Rhode Island: Bristol, Providence, Westerly, and Woonsocket.

South Carolina: Charleston.

South Dakota: Huron, Mitchell, Pierre, and Rapid City.

Tennessee: Bristol and Oak Ridge.

Texas: Austin, Corpus Christi, Dublin, El Paso, Fort Worth, Levelland, Mineral Wells, San Antonio, San Augustine, Sherman, Texas City, and Tyler.

Utah: Ogden.

Vermont: Montpelier.

Virginia: Roanoke and Suffolk.

Washington: Aberdeen, Dayton, Everett, Olympia, Pasco, Richland, Seattle, Tacoma, and Vancouver.

Wisconsin: Madison and Milwaukee.

Wyoming: Casper, Cheyenne, Cody, Rock Springs, and Worland.

None of these 110 projects may under present law be submitted to the Committees on Public Works since the time for securing approval under the lease-purchase law—Public Law 519, 83d Congress—has now expired.

The following is a list of 71 Government-owned sites which may be used for new public buildings projects if my bill is enacted:

Alabama: Florala, Livingston and Moulton.

Arkansas: Ashdown, Augusta, and Harrisburg.

California: Bakersfield and Los Angeles—terminal annex.

Florida: Monticello.

Georgia: Hogansville, Metter, Thomasville, Vienna, and Warm Springs.

Illinois: Casey, Eureka, and Fairbury.

Indiana: Bicknell.

Iowa: Ames—College station.

Louisiana: Coushatta.

Maine: Wilston.

Michigan: Dearborn, Monroe Boulevard station; Milan; and Tecumseh.

Minnesota: Roseau.

Mississippi: Quitman and Tupelo.

Missouri: Cape Girardeau, Independence, Moberly, and St. Louis—Richmond Heights Branch.

Montana: Whitefish.

New Jersey: Carteret, Garwood, and Newton.

New York: Dannemora, East Syracuse, Mohawk, and Montour Falls.

North Carolina: Scotland Neck.

Ohio: Akron, McArthur, and Oak Hill.

Oklahoma: Mountain View and Wagoner.

Pennsylvania: Beaver, Branchenridge, Clifton Heights, Downingtown, Emmaus, Greencastle, Jersey Shore, Newport, and Reynoldsville.

South Carolina: Charleston and Lyman.

Tennessee: Etowah, Hartsville, and Sharon.

Texas: Dublin, Levelland, Madisonville, New Boston, Orange, and San Augustine.

Virginia: Waynesboro.

Wisconsin: Evansville, New London, and Tomahawk.

Hawaii: Wailuku.

#### PERSONAL ANNOUNCEMENT

Mr. GRIFFIN. Mr. Speaker, during rollcall No. 118 today, on the so-called Mallory bill, my colleague, Mr. McIntosh, and I were in conference with the President, and missed the vote. If I had been present I would have voted "aye." Mr. McIntosh has authorized me to say that if he had been present he would have voted "aye."

#### SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. MADDEN (at the request of Mr. McCormack) from the Committee on Rules, reported the following privileged resolution (H. Res. 618, Rept. No. 2115), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business

in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCOTT of Pennsylvania (at the request of Mr. MARTIN), indefinitely, on account of death in family.

Mr. DAGUE (at the request of Mr. MARTIN), for an indefinite period, on account of death in his family.

Mr. ANDERSON of Montana, for the week of July 7 and the week of July 14, on account of attendance under orders at field training of the 96th Infantry Division, United States Army Reserve.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. REUSS, for 30 minutes, on Monday and to revise and extend the remarks he will then make.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ROONEY, to revise and extend his remarks and include a statement by the President.

Mr. METCALF, the remarks he made on the conference report on Senate Joint Resolution 12 and to include excerpts from three court decisions.

Mr. ANDERSON of Montana, on Senate Joint Resolution 12 and to include extraneous matter.

Mr. PHILBIN and to include extraneous matter.

Mr. MAY and to include extraneous matter.

Mr. LANKFORD and to include extraneous matter.

Mr. KEATING (at the request of Mr. SCHWENGEL) in three instances and to include extraneous matter.

Mr. MULTER (at the request of Mr. McCORMACK) in two instances and to include extraneous matter.

#### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2117. An act directing the Secretary of the Army to transfer certain buildings to the Crow Creek Sioux Indian Tribe; to the Committee on Interior and Insular Affairs.

S. 3177. An act authorizing the modification of the Crisfield Harbor, Md., project in the interest of navigation; to the Committee on Public Works.

S. 3203. An act relating to minerals on the Wind River Indian Reservation in Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 3437. An act authorizing the Department of Highways of the State of Minnesota

to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada; to the Committee on Foreign Affairs.

S. 3499. An act to amend the vessel admeasurement laws relating to water ballast spaces; to the Committee on Merchant Marine and Fisheries.

S. 3608. An act to revive and reenact the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada; to the Committee on Foreign Affairs.

S. 3728. An act to incorporate the Big Brothers of America; to the Committee on the Judiciary.

#### ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 982. An act to amend section 77 (c) (6) of the Bankruptcy Act;

H. R. 10154. An act to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts;

H. R. 11424. An act to extend the authority of the Secretary of Agriculture to extend special livestock loans, and for other purposes;

H. R. 11861. An act authorizing the city of Chester, Ill., to construct new approaches to and to reconstruct, repair, or improve the existing approaches to a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 11936. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at Brownville, Nebr.;

H. R. 12311. An act to amend the act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia), to remove the limitation on the amount authorized to be appropriated for construction;

H. R. 12739. An act to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause; and

H. R. 12827. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 86. An act to amend the National Science Foundation Act of 1950, to provide for a program of study, research, and evaluation in the field of weather modification; and

S. 2007. An act to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed, and for other purposes.

#### BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 12716. An act to amend the Atomic Energy Act of 1954, as amended.



## ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Thursday, July 3, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS,  
ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2088. A letter from the Comptroller General of the United States, transmitting a report on the review of activities of naval ammunition depots and similar type installations managed by the Bureau of Ordnance, Department of the Navy, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

2089. A letter from the Chairman, United States Atomic Energy Commission, relative to a message that was transmitted by the President to the Congress on June 23, 1958, relating to a proposed international agreement between the United States of America and the European Atomic Energy Community for approval pursuant to sections 11 (1) and 124 of the Atomic Energy Act of 1954, as amended, and also stating that legislation has been transmitted by our letter of June 23, 1958, to the Chairman, Joint Committee on Atomic Energy; to the Joint Committee on Atomic Energy.

2090. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to amend the act of June 10, 1938, relating to participation by the United States in the International Criminal Police Organization"; to the Committee on the Judiciary.

2091. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting in alphabetical order, 452 reports concerning individuals admitted to the United States notwithstanding affliction with tuberculosis, pursuant to section 6 of the act of September 11, 1957; to the Committee on the Judiciary.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 9924. A bill granting the consent and approval of Congress to a compact between the State of Connecticut and the State of Massachusetts relating to flood control; without amendment (Rept. No. 2105). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works. S. 495. An act to authorize the acquisition of the remaining property in square 725 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds; without amendment (Rept. No. 2106). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. House Joint Resolution 633. Joint resolution to designate the lake formed

by the Ferrells Bridge Dam across Cypress Creek in Texas as Lake O' the Pines; without amendment (Rept. No. 2107). Referred to the House Calendar.

Mr. DURHAM: Joint Committee on Atomic Energy. H. R. 13121. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 2108). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works. H. R. 12883. A bill to provide for certain improvements relating to the Capitol Power Plant and its distribution systems; with amendment (Rept. No. 2109). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. S. 1785. An act designating the reservoir located above Heart-Butte Dam in Grant County, N. Dak., as Lake Tschida, and for other purposes; without amendment (Rept. No. 2110). Referred to the House Calendar.

Mr. JONES of Alabama: Committee on Public Works. S. 3975. An act to provide for the construction of a fireproof annex building for use of the Government Printing Office, and for other purposes; without amendment (Rept. No. 2111). Referred to the House Calendar.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 2112. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 2113. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 2114. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. MADDEN: Committee on Rules. House Resolution 618. Resolution for consideration of S. 3651. An act to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes; without amendment (Rept. No. 2115). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 13262. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. CRAMER:

H. R. 13263. A bill to amend the act of May 25, 1926, as amended, to require certain distribution and approval of new public building projects, and for other purposes; to the Committee on Public Works.

By Mr. DENT:

H. R. 13264. A bill to exclude from taxable income taxes imposed upon employees under the social security, railroad retirement, and civil service retirement systems; to the Committee on Ways and Means.

By Mr. DEVEREUX:

H. R. 3265. A bill to authorize the appropriation to the Corregidor-Bataan Memorial Commission of an amount equal to amounts, not in excess of \$7,500,000, which may be received by the Secretary of the Navy from the sale of vessels stricken from the Naval Vessel Register, to be expended for the purpose of carrying out the provisions of the act of

August 5, 1953; to the Committee on Foreign Affairs.

By Mr. DIXON:

H. R. 13266. A bill to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines; to the Committee on Interior and Insular Affairs.

By Mr. HOFFMAN:

H. R. 13267. A bill to amend the Internal Revenue Code of 1954 to provide that the manufacturers excise tax on phonograph records shall not apply to records which play the contents of books or are otherwise intended particularly for use by the blind; to the Committee on Ways and Means.

By Mr. JENNINGS:

H. R. 13268. A bill authorizing Commodity Credit Corporation to purchase flour and cornmeal and donating same for certain domestic and foreign purposes; to the Committee on Agriculture.

By Mr. METCALF:

H. R. 13269. A bill to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of Nebraska:

H. R. 13270. A bill providing for payments as incentives for the production of certain minerals, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL:

H. R. 13271. A bill to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines; to the Committee on Interior and Insular Affairs.

By Mr. WALTER:

H. R. 13272. A bill to amend section 2385, title 18, United States Code, to define the term "organize" as used in that section; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H. R. 13273. A bill to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines; to the Committee on Interior and Insular Affairs.

By Mr. DENT:

H. R. 13274. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LIBONATI:

H. R. 13275. A bill to exclude from taxable income taxes imposed upon employees under the social security, railroad retirement, and civil service retirement systems; to the Committee on Ways and Means.

H. R. 13276. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McDONOUGH:

H. R. 13277. A bill to amend section 218 of the Social Security Act to provide that coverage by referendum for State and local employees shall be decided by a majority of those actually voting rather than by a majority of those eligible to vote; to the Committee on Ways and Means.

By Mr. NIMTZ:

H. R. 13278. A bill to amend section 552 of title 28 of the United States Code, as amended, relating to the salaries of United States marshals; to the Committee on the Judiciary.

By Mr. SAYLOR:

H. R. 13279. A bill to promote the conservation of migratory fish and game by requiring certain approval by the Secretary of the Interior of licenses issued under the Federal Power Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ENGLE:

H. R. 13280. A bill to encourage the discovery, exploration, and development of the

mineral resources of the United States, its Territories and possessions and to maintain and stabilize the production of essential minerals and metals from domestic mines, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HARDY:

H. R. 13281. A bill to amend the Budget and Accounting Act, 1921, so as to provide a penalty for the refusal of an official or employee of any department and agency to furnish information to the Comptroller General of the United States; to the Committee on Government Operations.

By Mr. CRETELLA:

H. Con. Res. 347. Concurrent resolution relative to Captive Nations' Days; to the Committee on the Judiciary.

By Mr. CELLER:

H. Res. 619. Resolution to provide funds for the Committee on the Judiciary; to the Committee on House Administration.

By Mr. THOMPSON of New Jersey:

H. Res. 620. Resolution to authorize the Committee on Ways and Means to conduct an investigation and study of the effect on domestic industries and employment of the importation of sound recordings at existing applicable duty rates; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. KELLY of New York:

H. R. 13282. A bill for the relief of Herbert E. Potter, Enelda Potter, and Herbert Alfredo Potter; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H. R. 13283. A bill for the relief of Gerard De Haan; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 13284. A bill to provide for the advancement of Maj. Gen. Leif J. Sverdrup, United States Army Reserve (retired), to the grade of lieutenant general on the retired list; to the Committee on the Armed Services.

By Mr. SANTANGELO:

H. R. 13285. A bill for the relief of Normando Berovides; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 621. Resolution providing for sending the bill H. R. 1357 and accompanying papers to the United States Court of Claims; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

695. By Mr. REUSS: Petition of Vaughn M. Bennett, of Milwaukee, Wis., petitioning Congress to relieve the teacher shortage by taking the following steps: (1) adding teaching to the list of critical civilian occupations and thus deferring teachers from military obligation; (2) transferring all teachers now in Active Reserve programs to Standby Reserve status; (3) in lieu of (2), exempt teachers in Active Reserve status from military correspondence courses, and from the necessity of attending summer training duty when enrolled in summer school; to the Committee on Armed Services.

696. By the SPEAKER: Petition of Lyle H. Munson, New York, N. Y., requesting that he be issued and granted a letter of marque and reprisal, as provided in article 1, section 8, paragraph 11, the Constitution of the United States of America; to the Committee on Armed Services.

## EXTENSIONS OF REMARKS

### American League Veto of Washington Senators' Move Proves House-Passed Sports Bill Is Sound

#### EXTENSION OF REMARKS

OF

### HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 2, 1958

Mr. KEATING. Mr. Speaker, I fully share the concern expressed by many about the miscalculated threats of some of the Washington Senators' owners to move the team's franchise out of this city. However, the suggestion that the sports bill recently approved by this body, H. R. 10378, would somehow abet such a move is unwarranted and completely misconceived.

I hope no one will be misled by some of the baseball baiting double-talk which plagues consideration of the merits of this measure during its early stages in this body. At that time baseball's eastern monopolists were being blamed for preventing expansion to the west coast. After the Dodgers and Giants left New York in partial response to this persistent brow-beating, these same critics attacked the greedy club-owners for abandoning Gotham. The fact is that there could be no league control of any club's shifts if baseball were subject to the antitrust laws. This means that the sports bill, which continues the present exemption of baseball's organizational and playing practices, gives the league the only power they have to prevent any such misguided moves.

Does anyone suppose that ordinary business competitors can force their rivals to stay put? Why, if such action were taken by any industrial group, the

Department of Justice would immediately be investigating for antitrust violations. The antitrust laws if applied to baseball would prohibit the very same efforts by the league to keep some clubs where they best serve the whole league's interests regardless of the selfish objectives of a particular club owner.

On any fair analysis, it is apparent that the reaction to the Nats' frustrated transfer gestures is really another illustration of why professional team sports could not properly operate under the antitrust laws. I do not suggest that professional baseball is not a business. But I do most definitely say that it is a unique kind of business and that it would be foolhardy to attempt to apply ordinary restraints on business activity to the solution of its problems.

Thank goodness more responsible baseball spokesmen operating under the authority of baseball's present rules have effectively, and I hope finally, squelched this effort to deprive the National Capitol of representation in our national pastime. Perhaps the league's decisive response to this threat will also squelch further misguided antitrust assaults upon our national team sports.

the Small Business Administration from a temporary agency to a permanent agency of the Government.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR YARBOROUGH

I am gratified that the Senate voted by nearly 2 to 1 to change the status of the Small Business Administration from a temporary agency to a permanent agency of the Government. In this period of merger and monopoly, the small-business man needs the aid of the Small Business Administration and we need permanent assurance to the small businesses of America that this agency will be here to serve them come what may in the future.

I have supported measures to try to assure the small-business man of America of his fair share of the market and his right to survive, and the action by the Senate is a step forward to give the small-business man of America assurances that there will be credit resources available which would be denied them if there were no Small Business Administration. I think the Small Business Administration is doing one of the best jobs of any governmental agency. I am proud to have supported this measure.

### Even a President Has a Right To Change His Mind

#### EXTENSION OF REMARKS

OF

### HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 2, 1958

Mr. MULTER. Mr. Speaker, the following quotation from President Eisenhower's news conference of May 4, 1956, is worthy of attention:

If anyone ever comes to any part of this Government and claiming some privilege for

#### Small Business Administration

#### EXTENSION OF REMARKS

OF

### HON. RALPH W. YARBOROUGH

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Wednesday, July 2, 1958

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement I have prepared regarding the bill recently passed to change the status of



even to as low as an introduction to an official he wants to meet on the basis that he is part of my family or of my friends, that he has any connection with the White House, he is to be thrown out instantly. \* \* \* I—I can't believe that anybody on my staff would ever be guilty of an indiscretion. But if ever anything came to my attention of that kind, any part of this Government, that individual would be gone. (President Eisenhower news conference, May 4, 1956, in New York Times of May 5, 1956.)

The American public should not be disappointed, if when put to the test, our great President fails us. Even a President has a right to change his mind, particularly when he need not justify his conduct in the next election.

### The Attorney General Hits the Mark in Attacking Communist Gangsterism

#### EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 2, 1958

Mr. KEATING. Mr. Speaker, on June 21 the Attorney General of the United States addressed a group of young people being honored for their high qualities of good citizenship. The repercussions of his remarks are now being felt in Moscow.

The men in the Kremlin are up to their old tricks of practicing the big lie when they accuse Attorney General Rogers of slander in his Chicago address. In talking to this youth group, he was simply sounding a warning to all young Americans never to underestimate the danger of the Communist conspiracy. In doing so, he spelled out the simple, horrible truth of Soviet perfidy as manifested in the cold-blooded murder of Premier Nagy.

The Free World and, indeed, many of those imprisoned behind the Iron Curtain know the truth of Russia's savagery and betrayal. Even the Communist world was shocked by it.

The Attorney General deserves the thanks of all who cherish freedom for calling a spade a spade and speaking out against international gangsterism. In turning his sights from internal to external hoodlums he has clearly hit the mark. The truth hurts the tyrant. And it hurt the Kremlin butchers.

Their yelps of anguish illustrate emphatically the Attorney General has struck a blow for liberty. We need more like it from our leaders in high places.

Under leave previously granted, I insert the Attorney General's speech at this point in the Record:

REMARKS BY HON. WILLIAM P. ROGERS, ATTORNEY GENERAL OF THE UNITED STATES, PREPARED FOR DELIVERY AT THE SILVER KNIGHT AWARDS CHICAGO YOUTH RALLY OF THE CHICAGO DAILY NEWS, ORCHESTRA HALL, CHICAGO, ILL., SATURDAY, JUNE 21, 1958

I appreciate very much the invitation of Mr. Knight to participate in this Chicago youth rally. To be present during the awarding of the Silver Knight trophies and medals to the outstanding youth of this great metropolitan center is a most pleasant and

stimulating experience. The Chicago Daily News is to be congratulated for making this well-deserved recognition possible. And it is a very real privilege to extend my personal congratulations to each one of the recipients of these awards.

Each of you here today was selected by your school for this recognition because you possess outstanding ability in a field of study and have demonstrated the highest qualities of good citizenship. It would be a mistake, however, for any of you to think that this occasion does not have significance far beyond the certificates and awards which you have received. These you are entitled to be proud of because through your own efforts and by your own conduct you have earned them. But this occasion has a much broader significance. It serves to demonstrate that my generation has confidence and faith in yours.

A superficial reading of the newspapers might lead some people to think that your generation does not measure up because the few who get into trouble receive so much attention. The fact is that less than 3 percent of our youth run afoul of the law each year. Of course, we must be concerned about this serious problem. But, in my opinion, nothing could be more unfortunate, more misleading, or more damaging to our country than to attribute the characteristics of this small misguided group to the overwhelming majority of our youth who are wholesome, able, and morally responsible. Generalizations of this sort are always to be regretted, but particularly so at this time when we should all be concentrating our energies on the real threat to our future security.

Earlier this week, I visited with a newspaper reporter who had just returned from an extended stay in the Soviet Union. He told me that the one thing that made the most lasting impression on him was that everywhere he went in Russia the Government buildings, factories, and schools are plastered with huge signs saying, "Beat the United States." And he said that the Government-controlled newspapers daily stress the belief that the Soviet Union will beat the United States in every area—military strength, education, the arts, scientific advancements, manufacturing, agricultural production—even sporting events.

The extent of this threat is no longer a matter of speculation. Khrushchev has openly declared war on us in all these fields and has predicted that our grandchildren will live under socialism. Time, I am sure, will prove that Khrushchev is wrong. But if we are to prove him wrong each of us must recognize the seriousness of the threat. But even more than that, it is important to realize that as individuals we have a personal responsibility to do something about it. The fact is that the Soviet Union is mobilizing a massive aggression against us. It hopes to prove to the world the superiority of the Soviet system. The Soviet Union hopes to disprove all of the principles which we believe in—by which I mean our religious beliefs, our beliefs in morality, the idea that law should protect individuals, and not just the State, the idea that freedom to think and speak, and to search for, and learn the truth are worthwhile concepts.

You hear a lot of talk these days about peaceful coexistence. Maybe for the moment the Soviet leaders do not believe that they can accomplish their objectives by involving the world in war. Certainly we hope so. But there is absolutely no reason to believe that they want to coexist with us. They want to destroy us. What happened in Hungary to the freedom fighters is an example of how ruthless and unscrupulous the Soviet leaders can be. They broke their solemn promise to the Yugoslavs that they would give safe conduct out of Hungary to Premier Nagy. Instead they murdered him. What happened in Hungary to the freedom fighters and to Premier Nagy will occur all

over the world if free people are taken in by the idea of peaceful coexistence. This is a time of total competition. The Soviet Union will use every resource at its command to beat us and they are prepared to use fair methods or foul—whichever will better serve their purposes.

In this "total competition" with the U. S. S. R. we have a great many advantages, but we must have the patience and the wisdom to apply them wisely.

We have not, and I am confident that you will not, make the mistake which my generation did in the case of Hitler. We paid heavily because our people did not understand that the threat was personal to them. It is vital that all Americans—particularly our young people—understand the threat of international communism. The threat is not remote. It is very direct and very immediate. We cannot afford to be complacent. It is not enough to be right and honorable. We must adopt practical plans to meet this challenge and to succeed in every area of competition in the years ahead.

It seems to me that our way of life stands to gain and the Soviet system stands to lose as we further the free exchange of ideas, of students, of people-to-people meetings. History is made up of the continual struggle of man to gain freedom and security and peace for himself, his family, and his fellow citizens. As we continue to communicate directly with the Russian people and the people in Communist-controlled countries they will come to realize the manifold advantages of living in a free society. And that fact will make itself felt in the years ahead.

There is no greater force working for peace in the world today than the moral principles which you have been taught to believe in and which you will apply to the problems which will face your generation. Those of you here have shown that you are prepared to assume the responsibility which in just a few years will be placed in your hands.

We are very proud of you, and we want you to know that we have full confidence in you and your generation. And again I want to extend my warmest personal congratulations and best wishes to each of you.

### Air Force Policy on Travel

#### EXTENSION OF REMARKS

OF

HON. RICHARD E. LANKFORD

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 2, 1958

Mr. LANKFORD. Mr. Speaker, Congress has consistently criticized the Air Force for excessive travel costs. However, a recent move by the Air Force to reduce its travel expenses presents the Congress with an opportunity to commend the Air Force on this score. I am referring to a new policy which the Air Force recently instituted calling for the use of air transportation wherever and whenever possible in moving personnel and civilian employees, and their dependents, to overseas stations. The Air Force has directed all commands to fly at least 85 percent of passengers bound for all overseas areas, and to exceed this figure wherever they can.

Air Force officials say the main reason for the heavy emphasis on air travel is the saving of travel money. One of the most encouraging things about this new policy is that the Air Force recognizes the value of a man's time in determining how he shall travel.

It seems to me that, if the Air Force can bring about a savings by flying their passengers to overseas stations, they can realize similar savings by flying them between stations in the United States and it is hoped they will apply this new policy to domestic movements.

The other military departments would be wise to follow this Air Force lead as a means of reducing their own travel costs.

**Bob Sibley, Newspaperman**

**EXTENSION OF REMARKS  
OF**

**HON. PHILIP J. PHILBIN**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 2, 1958*

Mr. PHILBIN. Mr. Speaker, the aviation and newspaper world, particularly in New England, was saddened last Friday as a result of the tragic loss of 15 lives in the Air Force jet tanker plane crash at Westover Air Force Base near Chicopee, Mass.

Among the victims was an old and valued friend, Robert B. Sibley, of Belmont, Mass., a former Worcester newspaperman who held a nationwide reputation as one of the country's top aviation experts in his position of aviation editor of the *Boston Traveler*. His loss is indeed great, not only to his bereaved family and the newspaper he served so faithfully, but also to the cause of aviation which he helped to advance through his able writings.

First and last, Bob Sibley was a good newspaperman. In fact, among newspapermen he was known as one of the best rewrite men in the field. It was his daily job to take the raw news of the day as it came over the phone and teletype and rework it into smooth English prose for the printed columns of his newspaper.

The job of rewrite man is a fascinating one and calls for top performance and competence almost every minute of the working day. As the deadline approaches for various successive editions of the newspaper, the rewrite man is working under steadily increasing pressure, perhaps handling several fast breaking news stories at once, keeping track of developments for succeeding editions, and turning out fast news copy during the turmoil and activity of the average newspaper office.

Bob Sibley was that kind of newspaperman.

In addition, after his rewrite duties had come to an end when the last edition had gone to press, Bob Sibley wrote his daily aviation column for the next day's edition of the *Traveler*.

He was one of the pioneers in aviation newswriting and the winner of numerous awards for his vigorous campaigns to advance aviation. It was my good fortune to work with Bob Sibley in two of his many campaigns for the advancement of aviation in Massachusetts—the installation of ground-controlled approach radar equipment at Logan International Airport in Boston

and the return of State-owned facilities at Hanscom Air Force Base in nearby Bedford to the Commonwealth of Massachusetts as auxiliary air facilities to Logan.

Bob campaigned for GCA in the mid-forties when these initials meant little or nothing to the air-traveling public. At that time Logan would have been among the first commercial airports in the country to obtain this equipment if the Commonwealth had been able to obtain the trained specialists able to operate his equipment, because the Air Force, at my insistence, was ready to release surplus GCA equipment to Boston for installation at Logan.

Countless New Englanders are grateful to Bob Sibley for his successful campaign to bring low-cost scheduled aircoach service to Boston. In addition, he campaigned successfully for the installation of cockpit radar for airline pilots, a vital safety feature. He was one of the first civilians to fly on the secret B-29 superfortress, the B-36, the 10-engine bomber, the B-32, the Convair bomber, and the F-94, the Starfire jet interceptor.

Bob Sibley received numerous awards for his work in the cause of aviation. He was president of the Aero Club of New England, chairman of the board of governors of the Aviation Writers' Association of America, and executive secretary of the New England Aviation Trades Association.

In 1948 he won the TWA award for outstanding aviation writing. Editor and Publisher magazine, the newspaper trade journal, cited him in 1949 for his successful campaign against Air Force policy of withholding names of casualties in air crashes.

At the time of his tragic death, Bob Sibley, only 57, had already left his mark in the aviation and newspaper worlds. A newspaperman all his life, he previously worked for the old Worcester Post as a police reporter, one of the best in the business, they still say in Worcester. He was later acting night city editor for the Worcester Telegram, transferring to the *Boston Traveler* in 1939. He was born in Worcester and attended public schools in that city.

Bob Sibley is mourned and missed by all who knew him. His friendliness, his devotion to his work, and his great contributions to aviation will long be remembered. To his bereaved family I tender most heartfelt sympathy for the great loss they have sustained.

In his eternal rest may the good Lord bless and keep him.

**Experimental Research Program**

**EXTENSION OF REMARKS  
OF**

**HON. RALPH W. YARBOROUGH**

OF TEXAS

IN THE SENATE OF THE UNITED STATES

*Wednesday, July 2, 1958*

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the *CONGRESSIONAL RECORD* a state-

ment I have prepared regarding Senate bill 86, providing for an experimental research program on weather, which received final Congressional approval yesterday.

There being no objection, the statement was ordered to be printed in the *RECORD*, as follows:

**STATEMENT BY SENATOR YARBOROUGH**

It was my privilege to serve on the Senate subcommittee which held hearings on S. 86, the bill which received final Congressional action yesterday. This bill which provides for an experimental research program on weather is of vital importance to both our defense and peacetime needs. I am glad that this bill has passed and has been sent to the President for his signature.

There were more tornadoes in 1957 than in any previous year since 1915, a period of 42 years. Specifically, last year, there were 851 tornadoes in the United States on 175 days. They killed 191 persons, injured nearly 2,400 others, and caused property damage estimated at \$75 million. If additional research can give us the answer to severe weather, we should explore the possibility to the fullest extent.

Scientists who presented testimony before the Senate committee give hope of unlocking the secrets of nature and ultimately controlling the severe storms which have swept the earth. With the American satellite sweeping the skies and with the data that scientists have gathered from space, we have even greater hope for the future. Just as Benjamin Franklin drew lightning from the clouds, this generation of Americans will draw the fangs of the tornadoes.

The scientists say that with more basic and applied research, it is likely that tornadoes can be controlled. This bill was one of my first two projects on coming to the Senate. I am proud to have had a hand in its passage.

**Testimonial Luncheon in Honor of Dr.  
Leroy E. Burney, United States Surgeon  
General**

**EXTENSION OF REMARKS  
OF**

**HON. HUBERT H. HUMPHREY**

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

*Wednesday, July 2, 1958*

Mr. HUMPHREY. Mr. President, yesterday noon there was a very splendid testimonial luncheon given in honor of Dr. Leroy E. Burney, the Surgeon General of the United States. I am sure Members of the Senate recall that Dr. Burney was elected president of the 11th World Health Assembly at Minneapolis, Minn., last month. Dr. Burney has distinguished himself not only as a great member of his profession, and as an outstanding doctor, but, with equal significance, and even more important, as the Surgeon General of the United States, in charge of our great United States Public Health Service.

It was my privilege to attend the luncheon yesterday at the Mayflower Hotel. Also present were the Senator from Indiana [Mr. CAPEHART], and a Member of the House of Representatives, Representative FOGARTY, and, of course, a very large number of



the doctors of the District of Columbia, the president of the American Medical Association, Dr. Gunderson, Dr. Paul White, the eminent heart specialist of international fame, and, indeed, members of the diplomatic corps, leading scholars and scientists in the field of research, along with doctors of the National Institutes of Health, and many distinguished ladies and gentlemen who were engaged in the research activities of our National Institutes of Health.

I have mentioned only a few of those who were present. I should like to allude to many more who attended. However, Mr. President, the highlight of the meeting was the presentation of a plaque, a citation of honor and merit, to Dr. Leroy E. Burney, by our own colleague in the United States Senate, the senior Senator from Alabama [Mr. HILL].

The Senator from Alabama is known throughout the Nation as the leading spokesman in the Congress of the United States in the field of health and health education, medical research, and the healing arts. Every Member of Congress, indeed, the entire Nation, is deeply indebted to the Senator from Alabama for his great leadership, patience, and perseverance not only in the preparation of legislation but in seeing to it that the proposed legislation becomes a reality.

I suppose we all think of the Senator from Alabama primarily in terms of the Hill-Burton Hospital Construction Act, but let the record be broader and more comprehensive. As chairman of the Committee on Labor and Public Welfare and as the most active Member of the Congress, in my mind, in the field of health and health activities on the part of the Federal Government, the Senator from Alabama has placed his imprint upon a host of constructive and worthwhile activities in the area of health education. America owes him a true debt of gratitude.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the remarks made by the Senator from Alabama [Mr. HILL] on presenting the plaque of the Washington Board of Trade to Surg. Gen. Leroy E. Burney of the United States Public Health Service, on July 1, 1958.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY UNITED STATES SENATOR LISTER HILL, OF ALABAMA, ON THE PRESENTATION OF A PLAQUE BY THE WASHINGTON BOARD OF TRADE TO SURG. GEN. LEROY E. BURNEY, OF THE UNITED STATES PUBLIC HEALTH SERVICE, JULY 1, 1958

Dr. Burney, distinguished guests, members of the Washington Board of Trade, members of the Medical Society of the District of Columbia, and friends, I am honored to be here today and to have the privilege of expressing to Dr. Burney our appreciation of his work and our thanks for his unselfish and devoted service.

First, let me congratulate you, Dr. Burney, on your recent election as president of the 11th World Health Assembly.

We know the outstanding leadership you have given to the United States Public Health Service and your far-seeing work in preventive medicine. These have served chiefly the people of the United States.

Now, as president of the World Health Assembly, the other nations of the world can benefit from your broad experience in preventive medicine, from your administrative skills gained in directing and coordinating State and Federal health programs, from your military medical experience in the Mediterranean and tropical areas, and from your deep understanding of the essential place of sympathetic human relationships in meeting health needs everywhere.

You assume the presidency of the World Health Assembly at a challenging time in the development of international health programs. For the assembly must determine the policy and establish the programs through which the World Health Organization will seek to complete the great unfinished task of medicine and medical research.

The underdeveloped areas of the world present the major field for this unfinished job. We in America, with the vast resources of modern medicine at hand, forget that two-thirds of the earth's 2½ billion people know only a submarginal living which makes sickness and undernourishment the normal state of life. We forget that every 60 seconds 20 people die somewhere in these underprivileged areas of malaria, tuberculosis, or intestinal infections. We forget that the fundamental needs for sanitation, pure water, and simple preventive medicine are the pressing problems of life to these peoples.

In the underdeveloped countries as in the more developed nations of Europe and North America we find that cancer and heart disease—the ancient killers of mankind—take an increasing toll. A recent United Nations report tells us that cancer is rising in its incidence in 33 countries in all parts of the world.

Menacing mankind are new and undiscovered diseases. Viruses change, and those harmless today may through mutation become deadly tomorrow. Viruses which do not harm a people accustomed to them can attack people unfamiliar with them. Man, the most transient of earth's creatures, creates many of his own health hazards. The airplane carries its passengers between continents in far less time than the incubation period of many diseases. And we are only hours away by plane from the yellow fever of the tropic jungle, from the sleeping sickness of equatorial Africa, from cholera and bubonic plague.

Ten years ago the World Health Organization was created in recognition of these multiplying dangers to health. We know some of the inspiring stories of the World Health Organization and its work in preventive and applied medicine: The mass injections of penicillin shots in Haiti to combat yaws. The millions of shots against yellow fever, now resurgent in South America. The development of INCAP-8, a high-protein food to combat malignant malnutrition in children. The use of modern drugs and techniques against malaria, louse-borne diseases, leprosy, and other diseases almost unknown to us in the United States.

As the World Health Organization enters its second decade—under your leadership, Dr. Burney—it enters a new phase which must make new and intensive use of medical research. The World Health Assembly has recognized this change in strategy in the global war against disease. And the assembly recently accepted a \$300,000 grant from the United States for a special study of new and more effective ways of promoting medical research on an international basis.

Here in America we believe that within a few short years the world will see a momentous breakthrough of medical knowledge that will enable us to overcome many of the dread diseases that have plagued and baffled man through the ages. There is reason for confidence that this breakthrough will yield many answers in the battle against heart disease, cancer, mental illness, and other crippling and degenerative diseases.

I propose that the United States give added impetus to this imminent breakthrough by initiating a dynamic program of international medical research. The essential elements of this international medical research program would be these:

1. Cooperative international support of medical research directed against the major diseases which plague mankind today.

2. Exchange of research workers and clinicians that all countries of the world might obtain the benefits of the newest developments in research.

3. Distribution of drugs, medical equipment, and rehabilitation appliances to all parts of the world.

4. Establishment of demonstration projects to disseminate to all areas of the world the latest techniques for combating diseases.

5. Organization of an international clearinghouse on the latest developments in medical research, including the establishment of appropriate translation services.

Such a program should become a major and vital part of American foreign policy. In our effort to win the trust and friendship of the uncommitted millions in the world, what more important boon can we bring to them than the promise of good health and long life?

American medical research has developed many magnificent life-giving agents which can be spread throughout the earth. Can we measure the good will created by our manufacture and distribution of the Salk vaccine to the children of the world? This magnificent gift of medical research has even penetrated the Iron Curtain and is being manufactured and distributed widely in Soviet Russia.

Medical science as an instrument of foreign policy would find America's great strength not only in our medical knowledge and skill, but in the humanitarian instincts, the generosity, the compassion of our people.

From all these resources—spiritual as well as material—we must make a larger investment in the health of the world. We cannot wait. Death is not gradual in the tropics. The patience of the neglected is not everlasting. We who bear in our hands the precious means to a longer and a happier life must extend it quickly and abundantly to the sick, the weak, and the suffering of the world.

"Men's hearts wait upon us; men's lives hang in the balance; men's hopes call upon us to say what we will do."

Mr. HUMPHREY. Mr. President, I ask that the RECORD indicate the luncheon to which I have referred was given by the Washington Board of Trade and the Medical Society of the District of Columbia.

I commend this remarkable address to the reading of all of my colleagues. It shows true statesmanship and a breadth of vision, imagination, and understanding which is required in these very difficult and trying days.

## Annuities for Former Presidents

### EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 2, 1958

Mr. MULTER. Mr. Speaker, I have introduced H. R. 13163, which, I sincerely believe deserves prompt and sympathetic consideration by the Congress of the

United States. This bill provides an annuity and certain other benefits for former Presidents of the United States.

The United States has never treated its former Presidents well. It is ironic indeed that we should confer upon them the highest honor that this Nation can give only to treat them in a most shabby and parsimonious manner after they have left office.

The Presidency must be just about the only position in the United States for which there is no retirement plan or post-job security of any kind. Yet, an ex-President has a heavy financial burden. Even if he does not live lavishly, his living expenses must be considerably higher than those of the ordinary American citizen. He has great responsibilities toward the American people which he wants to and must fulfill.

These things cost money. Unless a former President is a wealthy man in his own right, he will find himself in financial difficulty. Presidents have been thus humiliated in the past, and it could certainly happen again unless Congress takes legislative action to forestall it.

Financial embarrassment has plagued some of our Presidents from the very beginning. George Washington is often thought of as a wealthy man, and in a sense he was. But he was land poor, and he was forced to attempt to sell sections of his Mount Vernon estate in order to make ends meet.

The financial tribulations of Thomas Jefferson are well known. He was finally driven to mortgage his home, Monticello, and to sell some of his private property. On two occasions he sold personal libraries to Congress. In desperation he planned to liquidate Monticello through a private lottery. He was spared this tragic extremity only by loud public protest and the fortunate intervention of private funds.

James Madison, too, was beset by money problems after leaving the White House. Suffering from rheumatism and failing eyesight, he struggled to reproduce his notes from the Constitutional Convention so that he might leave a little something for his widow.

These notes are now a priceless heritage for America, but Dolly Madison had to sell them to Congress for a mere fraction of their worth. She then spent her last years in Washington, living in dignity and honor, but also in poverty. It is said that her food was often supplied by her neighbor, Daniel Webster.

James Monroe encountered difficulties fully as serious following his retirement from the Presidency. He lost his beautiful home to creditors, and after the death of his wife in 1830, he had no choice but to move to New York to make his home with his daughter. He spent his last days living on the charity of relatives.

Andrew Jackson was not quite so unfortunate, but he, likewise, had his troubles. On one occasion he wrote: "Poverty stares us in the face."

Almost everyone knows about the crushing financial problems that oppressed Ulysses S. Grant during the last years of his life. The collapse of a Wall Street venture left him impoverished. He pawned all of his most precious

possessions to satisfy his creditors—his swords, his gifts, his souvenirs.

Then, although ravaged by cancer of the throat, he set about to write his memoirs to provide money for his family. "Every day, every hour, is a week of agony," he said. He finished this task just a few days before he died. Fortunately, the memoirs were a great success, and his family realized almost half a million dollars from them.

It is unthinkable that anyone who has served as President of the United States should be subjected to such humiliation and suffering. Yet, it has happened to several former Presidents and it will happen in the future unless we in Congress do something about it.

The President of the United States is a public man. He remains to a very large extent a public man even after leaving office. The American people continue to look to him for advice and for the wisdom that can come only from years of experience in the world's most honored office. There are heavy demands upon his time and energy—speeches, conferences, and bales of correspondence that must be attended to.

The Presidency is not only the world's most honored office; it is also the most demanding. Its burdens and responsibilities exceed our powers of comprehension. No payment in money can approach adequate compensation for this position, but the failure to provide for even the minimal standards of financial security in retirement becomes even more appalling when we consider them.

A former President cannot, of course, take any sort of position that might be offered to him after he leaves office. He must never forget that he has been President of the United States. He must never do anything that would demean or cheapen the great office he once filled. He must do nothing that could possibly be construed as capitalizing upon this office.

A former President owes this to the American people, and he owes it to himself. We can indeed be proud of the fact that, no matter how dire their circumstances may have been, our ex-Presidents have always been fully aware of these obligations and have sought to maintain the dignity and the stature of the office. It is certainly, then, an obligation of the Government to make sure that a past President can live by these standards without hardship to himself or his family.

Former President Truman is not a wealthy man. A few months ago, in a television interview, he summarized some of the problems that he has had to face:

The United States Government turns its Chief Executives out to grass. They're just allowed to starve or . . . sometimes they're tempted to become advertising mediums. . . . Two or three of our Presidents practically starved to death because they wouldn't do that.

I have the biggest individual mail in the State of Missouri. It takes three clerks to answer. . . . My postage bill is something tremendous. . . . I see an immense number of people. . . . I can't talk to them in a cubbyhole or a back room. If I hadn't inherited property that finally paid things through, I'd be on relief right now.

The legislation I have introduced is simple and straightforward, and surely

no one could reasonably say that it is too generous in terms. I think that its passage would do much to prevent the recurrence of these situations that have already in our history brought so much hardship and misery to some of our retired Presidents.

I do not think it is necessary to go into the details of H. R. 13163, but I would like very briefly to sketch out its more general provisions.

It calls for a \$25,000 annuity to be paid to each former President from the time he leaves office until his death. This money would be exempt from Federal taxation. The recipient could decline to accept all or part of the annuity at any time, and the payments would be stopped during any period that he held an elective or appointive office in the Federal or District of Columbia government for which he would receive any compensation other than a nominal rate.

This bill would also give to former Presidents the privilege of franking their mail.

Other sections of my bill provide for office space and for staff assistants for former Presidents. These staff personnel would be selected by the ex-President, but they would be appointed by the Administrator of General Services without regard to civil-service laws or regulations. The staff members would, however, be employees of the Government, subject to the same obligations, duties, rights, and benefits as other Federal employees. The top staff position would carry a salary not to exceed the maximum scheduled rate under the Classification Act of 1949, as amended.

The General Services Administrator would also be responsible for providing the former President with suitably furnished and equipped office space. This space could be located in any of the States or the District of Columbia depending upon the wishes of the ex-President. It could be in a Federal building or elsewhere.

Under section 5 of this bill, widows of former Presidents would be entitled to receive an annuity of \$10,000. The widow would have to waive her rights to receive any other pension granted by Federal law. The annuity granted under this bill would terminate on the date of the death or remarriage of the widow.

I want to stress that the question of annuities for former Presidents is not a partisan matter. At the present time we are fortunate in having 1 Republican and 1 Democratic ex-President still living. At some time in the future, all of the living former Presidents may be of the same party.

But for the purposes of this bill party affiliations are not important. This is an issue that transcends party politics. The fact that a man has served as President of the United States—and that fact alone—entitles him to the respect of the American people. Furthermore, it places upon Congress an obligation, neglected far too long, to see that his continuing responsibilities can be met without the fear of real financial hardship.

There is one concluding point I want to make. On February 4, 1957, the Senate passed legislation very similar to the



bill I have introduced—S. 607. It is now up to the House to act.

For 169 years the United States Government has shamefully ignored the welfare of its retired Chief Executives. We have already waited too long.

I urgently appeal to Congress to pass this bill.

### Clearing Up the Muddled Passport Picture

#### EXTENSION OF REMARKS OF

**HON. KENNETH B. KEATING**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 2, 1958

Mr. KEATING. Mr. Speaker, I have today introduced the bill recommended by President Eisenhower to establish procedures for the issuance of passports. The bill grew out of recent Supreme Court decisions which overruled the Secretary of State's denial of passports to Rockwell Kent, Walter Brehl, and Weldon Bruce Dayton. Those decisions held in effect that Congress had not conferred on the Secretary the discretionary power which he assumed to exercise in refusing those passports.

The bill I have introduced supplies the Secretary of State the authority found lacking by the Supreme Court and establishes definite standards to which he must adhere in granting or denying passports. At the same time, it affords the disappointed applicant every opportunity for a fair and impartial review of his case.

First of all, this bill sets forth in plain and unambiguous terms the determination by Congress that the Communist Party and those actively and knowingly engaged in its activities, are an integral part of an international conspiracy aimed at destroying our way of life. And it recognizes that in this situation, where we are fighting a war of ideologies, we must be ever alert to any threat to our national security or to the proper conduct of our foreign relations.

Taking the realities of the cold war into consideration, the bill establishes standards under which the Secretary of State may issue, renew, deny or revoke passports. It gives him discretionary power to deny a passport to any individual whose presence abroad would seriously impair the conduct of our foreign relations or be inimical to the security of the United States. It also specifically authorizes the Secretary of State to designate as out-of-bounds to American passport holders certain areas of the world. Persons who violate the law would be guilty of a misdemeanor and liable to imprisonment for 1 year, or a fine of \$1,000, or both.

We would be foolhardy indeed if we did not place this protective power in the hands of the Secretary of State. Our passport policy directly affects our relations with other countries. These relations could soon deteriorate, were we to allow disloyal Americans to roam the face of the earth engaged in activities directed against the very Nation which

affords them the liberty to travel and to speak as they wish.

Applicants for passports will be accorded every proper right and safeguard under this bill. If the applicant does not agree with the initial determination of the Department of State he may have his case heard by a Passport Hearing Board. In these proceedings he will be entitled to counsel, to testify in his own behalf, to confront and cross-examine witnesses, to examine the open record and to obtain a copy of the transcript of the proceedings. In addition, the applicant will be furnished a résumé of the evidence considered by the Board in making its determination.

The findings and recommendation of the Board will be submitted to the Secretary of State along with any written objections that the applicant may care to submit. The Secretary must then decide on the basis of the entire record, whether a passport should issue. The applicant's rights do not end there. He can go to the District Court for the District of Columbia for review of the Secretary's decision.

The President stressed the urgency of this measure in his special message to the Congress yesterday. He should be commended for the decisive action he has taken to remove a potential danger to our security. Congress should act with equal deliberation and speed. Every day that passes without the authority this bill confers, exposes us to potential harm abroad.

Mr. Speaker, this measure protects adequately the right of every loyal American to travel abroad. At the same time it safeguards the Nation from the very real danger of allowing those few of our countrymen who seek to destroy us to spew out anti-American vitriol all over the world. The bill thus strikes that balance between individual liberties and our national security which is absolutely essential to our continued existence as a free and independent nation.

### Self Determination for Cyprus

#### EXTENSION OF REMARKS OF

**HON. EDWIN H. MAY, JR.**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 2, 1958

Mr. MAY. Mr. Speaker, in connection with the resolution which I have introduced today calling for self-determination for Cyprus, I would like to offer the following statement which is the text of a speech which I delivered on the occasion of the 31st national convention of the Pan-Rhodian Society of America on Independence Day, July 4, 1958. This resolution has been introduced by my colleague, Congressman MORANO, whom I am happy to join in this very important issue which so vitally affects the peace in the Mediterranean area.

The statement follows:

#### SELF-DETERMINATION FOR CYPRUS

It is impossible on this July 4 in the year 1958 to think as an American, in the spirit

and the philosophy of our own Declaration of Independence, and fail to be wholeheartedly—I repeat wholeheartedly—sympathetic to the Greek cause in Cyprus. It is not necessary to criticize the British to recognize that the side of justice cannot be divorced from the Greeks on Cyprus, and the traditional rights of the Greek Government and the Greek people in that turbulent and blood-ridden island. It is for this reason that I am grateful to the Pan-Rhodian Society of America for giving me—a Congressman of the United States—an opportunity to speak out on a subject that stands high on the agenda of world peace, world amity, and world judgment.

The conscience of mankind has been too dangerously disturbed through the last two world wars and Korea to stand now silent and unheard before the terror and the shame, the mismanagement and the improvisations that are making Cyprus a constantly shifting pawn on the chessboard of awkward international diplomacy. Indeed, the very soul and spirit of American thinking, and American feeling from Thomas Jefferson to Woodrow Wilson, and from Woodrow Wilson to President Eisenhower, cry vigorously and eloquently to the American conscience on this Independence Day. If they say anything these are the voices, both the living and the dead, the past and the present, that ask us to see how right and fairness are locked in the simple plea of the American educated Archbishop Makarios.

I wonder, at the risk of being trite, if I overstate the case when I speak of Archbishop Makarios as the contemporary Greek Thomas Jefferson.

Indeed, if we examine the issues, we find the ultimate justice in Cyprus melts down to the essentially American proposition of self-determination. The self-determination of nations is a deeply imbedded American ideal that originated in the modern sense with the statesmanship of Woodrow Wilson after World War I. Of all the solutions that have been advanced for the settlement of the Cyprus problem, the one that commends itself to the American mind and, it seems to me to objective judgment everywhere, is the simple proposition of the Greek Government.

What does the Greek Government ask? The Greek Government, following all the tenets of modern adjudication and using paraphernalia of decision made possible by the newer international machinery of western government, says this: Let Cyprus' Hellenism be tested. The Greek Government says let it be tested by a secret plebiscite. Plebiscite is just a more technical word for self-determination. It means that the people themselves shall by their own vote determine who shall govern them. The Greek Government says—and mark this—that the self-determining votes of the populace be conducted under the auspices of the United Nations.

That is the position of the Greek Government.

Here is a simple proposition, unassailable for its justice, transparently sincere, easily operable, and consonant with the most basic thinking of our time. It is the very lifeblood of the kind of statesmanship that mankind hopes will release the peoples of the earth from conquest, from government by aggression, and government by terror and the police state.

If we of the Western World mean to give substance and validity to our protestations of justice and fairness to all nations and peoples, the moment for the implementation of these protestations is right now. We cannot talk self-determination—which is all that the Greek Government is asking—and then after 40 years of talk and two world wars turn around looking for every device of adjudication except self-determination. For America, at least morally and in spirit, not to stand by its given word on matters of

great principle is to betray our own practices and mores. For America to fail to do her part in an international situation where all look to her for leadership in accordance with her own blueprint is to make Independence Day itself a hollow and meaningless gesture.

For a century, as certainly this audience knows, the Greeks on Cyprus have fought for organic union with the mother country. Yet if the vote of the people, under the plebiscite, should favor some solution other than organic union with Greece, the best and most reliable information is that this would be acceptable to the Greek Government. It is impossible for me as an American, looking impartially at all angles of this situation, to find any of the disruptive and explosive and adamant elements of fanaticism in this proposition of the Greek Government. They ask first for a determination of the Cyprus peoples' destiny by the people themselves. They ask second that the plebiscite be supervised or managed by the United Nations. They declare then that whatever solution is arrived at in this plebiscite will be the governing judgment for Greece.

All Americans should know, since our whole world is now so integrated, that an episode anywhere affects us all, that the Cypriots' cry for amalgamation with Greece has echoed down through the centuries. It goes back to the moment in 1489 when Turkey fastened itself upon this exposed and vulnerable Mediterranean island. It cannot be said, and certainly the enlightened Turks of our time would not expect historians to report, that the government of Cyprus by the Turks was in any sense benevolent—and even hundreds of years of control is hardly

calculated to make their claims against the Greeks of Cyprus even slightly valid.

I cannot and would not before an informed audience like this attempt to pose as an expert on this very complex problem. But a study of the total facts makes it entirely plausible, it seems to me, to so rearrange gently and considerably the populations of the Greek and the Turkish islands in the general theater, as to soften, perhaps even heal, the rupture between Greece and Turkey. All of you, I'm sure would, in justice, want to assure the Turkish minority on Cyprus that their rights will be protected just as you want the Greek minority rights in Turkey to be protected.

It may be that in putting views like this before you there is more enthusiasm and wishfulness than realism—the hard and tough kind. And yet on consultations with some experts in the field I find that there is solid ground for my optimism. We live in an age released for the most part, from the bitter and enduring feuds of old. And—given self-determination—it is, as I see it, not beyond the realms of the possible and not altogether improbable but that Greece, Cyprus, Britain, and Turkey can emerge from this dilemma with a solution, while not absolutely satisfactory to all in every particular, can serve as the groundwork for lasting peace in the area.

This we know: No government on Cyprus will endure without self-determination. But, given the right to say who shall govern them, then the Cypriots agree to make concessions to the Turks in matters of religious and cultural freedom. There would be the safeguards of the United Nations. And the Turks would be granted a customs union with Turkey. Even here we see, as through-

out the Greek position, attitudes of reasonableness and even the outstretched hand of cooperation and amity. No—given strong international leadership and the directing influence of the massed will of world opinion as represented, for instance, in the United Nations, and it seems altogether feasible that under self-determination the solution in Cyprus could be found.

There are 530,000 people on Cyprus and 400,000 of them are Greeks—A statistic that speaks sensationally for itself. We have to remember that the three nations—Britain, Greece and Turkey—all belong to the Western bloc and all are members of the North Atlantic Treaty Organization. The major elements for understanding exist. The right with compelling obviousness belongs to the Greek position. The issue at heart is one of justice and sovereignty in keeping with precisely those ideals upon which rest the very foundations of the United Nations.

The hour, ladies and gentlemen, is critical. I hope that under the influence of the ideals that have marked man's forward march to freedom for the last 2,000 years, Cyprus and its people will find their place in the sun. I hope even more that the thinking of the Declaration of Independence, to which today we are rededicating ourselves, will emphasize to the American people how profoundly their tradition is bound up with the aspirations of the people on Cyprus. Just so long as men everywhere can see their common goal to freedom, the hope for freedom everywhere will not dim. It is my expectation that Cyprus will witness self-determination and that this may bring about a new dawn of justice and liberty in the Mediterranean theater and—I trust—eventually among all peoples of this planet.

## SENATE

THURSDAY, JULY 3, 1958

Bishop W. Earl Ledden, resident bishop of the Methodist Church in the Syracuse area, offered the following prayer:

Almighty God, Father of us all and Father of each of us, we bless Thy name that Thou art near enough for us to turn to Thee for light upon our way, for strength equal to the tasks at hand. May our minds be open to Thy truth, our wills responsive to Thy leading, throughout all this day.

On this anniversary of our country's birth, we bow to acknowledge Thee as maker of heaven and earth, the power that hath made and preserved us a Nation. We remember that truly America did not rise without Thy assistance. Now we pray that we may continue to seek and to accept Thy light and Thy salvation.

As we give thanks to Thee that in Thy providence our many States have become one Nation, indivisible, we this day lift our prayer for the new State which is about to take its place among us. God bless Alaska. We thank Thee for Thy bountiful gifts to that great land, and we pray that all who dwell within its ample borders may have reason to be grateful for this new day and this new relationship. May every good thing in all that land be strengthened, and every evil thing enfeebled by the enlarging fellowship that is America.

So may all our States be bound together in the pursuit of the happiness which may be attained alone where there is liberty and justice for all.

In the name of Christ, our Lord. Amen.

### THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 2, 1958, was dispensed with.

### MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 2, 1958, the President had approved and signed the following acts:

S. 1706. An act to amend the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes," approved December 20, 1944, as amended;

S. 2224. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, regarding advertised and negotiated disposals of surplus property; and

S. 2533. An act to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 10 years, and for other purposes.

### AGREEMENT WITH UNITED KINGDOM RELATIVE TO COOPERATION ON USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES— MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from

the President of the United States, which, with the accompanying papers, was referred to the Joint Committee on Atomic Energy:

#### *To the Congress of the United States:*

It has become manifestly clear of late that the countries of the Free World must, for their collective defense and mutual help, endeavor to combine their resources and share the large tasks that confront us. This is particularly true in the field of scientific research and development in support of greater collective security, notably in the field of military applications of atomic energy. Close collaboration between scientists and engineers of the United States and the United Kingdom during World War II proved most fruitful.

The Free World again faces a similar challenge which the free nations can most effectively meet by cooperating with one another in genuine partnership. I pointed out to the Congress earlier this year that it was "wasteful in the extreme for friendly allies to consume talent and money in solving problems that their friends have already solved—all because of artificial barriers to sharing." Since then the Congress has responded with necessary changes in our legislation on the basis of which this Government has just concluded an agreement with the Government of the United Kingdom which provides the framework for closer cooperation on uses of atomic energy for mutual defense purposes.

Pursuant to that legislation I am submitting to each House of the Congress an authoritative copy of the agreement. I am also transmitting a copy of the